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HOUSE OF COMMONS

Monday, January 16, 1961

The house met at 2.30 p.m.

THE LATE JOHN AUGUSTINE MACDONALD

TRIBUTES ON PASSING OF MEMBER FOR KINGS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it will be an occasion of sadness for members of this house to note that since the Christmas adjournment one of our members has passed away in the person of Lieutenant Colonel John Augustine Macdonald, the member for Kings, P.E.I.

Mr. Macdonald followed in the footsteps of his father in public affairs in his province. He joined the armed forces early in the war, served with great distinction in France, and was first elected to the legislature in his province in the summer of 1945, the youngest member of that body. At that time he was in hospital recovering from the effects of his war service. Subsequently he sought election to the House of Commons and became a member of this house in 1957, being re-elected in 1958. A humanitarian and one greatly interested in the welfare of all, and in particular of the veterans, he made a contribution such as is made by those who, whether in the house proper or in the committees, give of their best to the service of their country.

He served his country in the days of peace. He has passed away at a comparatively early age; indeed, one might say, at the beginning of a public career auspicious in its hope for the future. He leaves a widow and three children. We miss him sorely on this side of the house, and I think the house as a whole would wish to join me in expressing our sadness at his sudden passing and our sympathy and condolences to the widow and members of the family. Mr. Macdonald served his country well, and of no one can more be said.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, we on this side of the house join the Prime Minister in the sympathy he has just expressed in the passing of one of our colleagues, the hon. member for Kings, Prince Edward Island, a passing which was both sad and premature. Colonel Macdonald was a young man, as the Prime Minister pointed out, but he had served his country with distinction during his relatively short life both in time of war and in time of peace, and new areas of service were opening to him when he was called.

We join with the Prime Minister in extending our sympathy to the members of his family. We also sympathize with the Prime Minister and the members of his party, who have lost a loyal and devoted adherent.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I was shocked to hear just a few minutes ago of the passing of Colonel Macdonald. On behalf of this group may I say we join with the Prime Minister and the Leader of the Opposition in expressing our sorrow at the loss of a highly respected colleague in this house, a gentleman who served his country well in war, in the defence of freedom, and in peace in the legislature of his province and in this house in both he worked to give effect to the principles for which he fought during time of war.

The members of the veterans affairs committee will miss him very much indeed. Suffice it to say I am certain that the impression he created on the members of that committee was one of quiet sincerity. We join with the Prime Minister and Leader of the Opposition in extending our sincere sympathy to all his family.

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, I should like to associate myself with what has already been said by the Prime Minister, the Leader of the Opposition and the spokesman on this occasion for the C.C.F. party.

Perhaps more than anyone else in this house I had a long and close association with Lieutenant Colonel John A. Macdonald. Practically all his mature years have been devoted to public service both in time of peace and time of war. In addition to his service to his country in time of war, for which he was well known, Colonel Macdonald had a continuing interest in the reserve forces of his country. At the time of his death he commanded the Prince Edward Island Recce regiment. His services to veterans were especially noteworthy and his services generally to his community were of a very high order.

John A. Macdonald was a thorough gentleman. I knew him intimately for many years and never heard him utter an uncharitable word about anyone. The sympathy of all of us, I am sure, goes out to his widow and his young family in their bereavement.

Question of Privilege

VACANCY

Mr. Speaker: I have the honour to inform the house that I am in receipt of a communication informing me that a vacancy has occurred in the representation, namely of J. C. Van Horne, Esquire, member for the electoral district of Restigouche-Madawaska, by resignation.

Accordingly I have issued my warrant to the chief electoral officer for the issue of a new writ of election for the said electoral district.

PRIVILEGE

MR. MARTIN, ESSEX EAST—REPORT OF UNEMPLOYMENT INSURANCE ADVISORY COMMITTEE

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to raise a matter which I believe involves a question of privilege affecting every hon. member of this house. It has to do with the tabling of the report of the advisory committee of the unemployment insurance commission by the Minister of Labour in the dying hours of the day when we adjourned prior to Christmas.

On December 6 I asked this question of the Minister of Labour as reported at page 527 of *Hansard* of that date:

> Mr. Speaker, may I ask the Minister of Labour whether the advisory committee of the unemployment insurance commission has had any meetings since the prorogation of parliament and, if there has been a meeting of that committee, will the minister kindly table the report in accordance with the direction provided in the act?

The minister replied, at page 527:

> Mr. Speaker, that is exactly the way it will be tabled.

Then I asked a supplementary question, as follows:

> When might we expect the report to be tabled?

The minister replied, at page 528:

> The act provides that it shall be tabled 30 days after it has been received by the governor in council.
>
> Mr. Pickersgill: Within 30 days.
>
> Mr. Starr: Yes, within 30 days.

On December 20 I again asked the Minister of Labour a question in this connection in the following words, which will be found at page 969 of *Hansard*:

> May I ask the Minister of Labour if he is now in a position to table the report of the advisory committee of the unemployment insurance commission? The committee met in October, and about it there have already been questions this session?

The minister replied:

> No. I am not prepared to table it yet, as the government is still studying this report.

I am advised by the Clerk's office, Mr. Speaker, that the day after, the minister did hand to the Clerk a copy of this report, sessional paper No. 83, Wednesday, December 21. That was the day the spokesman for the opposition was concluding what he had to say about the budget introduced the day before by the Minister of Finance.

I submit to you, Mr. Speaker, that this is not the first time this practice has been resorted to by this particular minister or by the government. In the dying days of the session which ended on August 10 last a report was tabled in the same manner—

Some hon. Members: Order.

Mr. Speaker: I do not think the hon. member should introduce more than one matter of privilege at the present time. He should confine himself to the matter under discussion.

Mr. Martin (Essex East): Having said that there was a self-created precedent on the part of the minister for this particular act, I will agree that there is no point in elaborating on this aspect of the matter; but, Mr. Speaker, I submit to you that it is contrary to the privileges of this house, when, the day after a member asks for the production of a particular report and the minister says that the government has not yet studied it, the minister clandestinely hands the report to the Clerk without advising the house publicly, as I believe he should. It is a violation of the rules of this house. I can well understand why it was done, because the report shows—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member will agree with me that he should state his question of privilege without debating the matter. There is no motion before the house, and I have to determine whether there is a prima facie breach of privilege.

Mr. Martin (Essex East): I simply add that I can understand why the minister would want to do it. I do not have to give further reasons why I think he would want to show that, because of convenience, he was justified in acting as he did, but the proper practice would have been for the minister to tell the house that he was going to table a document which was so vital in the consideration of matters affecting the financial state of this nation and of the unemployment insurance fund.

Hon. Michael Starr (Minister of Labour): Under the circumstances in which the hon. member for Essex East has brought this matter up, I think I should say a few words. When I made the statement on December 20, in reply to the question of the hon. member for Essex East, it certainly was my intention to table the document within the time prescribed in the act. On the following day I

was advised that it would have to be tabled before the house adjourned for the Christmas holidays, and under the circumstances that was all I could do at the time.

In any event, the anxiety of the hon. member for Essex East is not wholly justified, because since he has read the report he will know that it is in almost the same tone and, as a matter of fact, is a facsimile of the report made earlier in the year by the same committee. There is nothing new in the report. The state of the fund has been well known to everybody in this country. It has been referred to in the press.

The committee does recommend that certain changes be made, and I want to bring to the attention of the hon. member for Essex East that in the speech from the throne it is set out that the government intends to bring in amendments to the Unemployment Insurance Act.

Mr. Speaker: I take it that as the hon. member for Essex East has expressed his views and has not submitted a motion, I may let the matter rest there.

POWER

COLUMBIA RIVER—ANNOUNCEMENT OF SIGNING OF TREATY ON JANUARY 17

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, at this time I wish to announce that tomorrow in Washington the treaty for the co-operative development of the Columbia river basin will be signed by the President of the United States and two others from that country and by myself, the Minister of Justice and the Canadian ambassador to the United States.

This treaty marks the successful outcome of nearly three years of intensive work on a project which we believe will bring great benefits in years to come to both Canada and the United States. Indeed, this will be an historic occasion in the relations between our two nations, showing to all the world the benefits that can accrue when nations, while having their differences, have common objectives and a desire for peace and the attainment of those things which are the attributes of peace.

After the signing of the treaty statements setting out the situation will be made both by the administration of the United States and by myself on behalf of the government of Canada. I should have liked to be able to make a full report to the house, but realizing that as soon as the signatures have been applied a statement will be forthcoming by the other signatory. I intend to make available then a summary of the terms of the treaty, the benefits that we believe will accrue to Canada and, in general, to summarize the effects and results of this great co-operative international effort.

The treaty will, of course, require to be ratified. It will be submitted to the house for consideration. With respect to certain elements and clauses within the treaty, there will necessarily be differences of opinion. Indeed, representations have been made to the government by certain people in areas that will be affected as a consequence of the implementation of the treaty that an opportunity should be provided for the fullest consideration of the treaty and its implications. It is the government's intention, if the house will agree, to have the treaty submitted to the house committee on external affairs so that in that committee full and complete consideration and discussion may take place relative to its terms.

I thought it well to bring this to the attention of the house at this time, to the end that it will be realized that the affixing of signatures to the treaty does not make the treaty effective. Parliament alone can do so. To the end that this house shall be enabled to secure the fullest information on the treaty, its terms, the interpretation of those terms and in general a résumé of the entire field that is comprehended by the treaty, I believe that the proper course is to enable a committee of the house which is qualified to deal with the matter, namely the committee I have mentioned, to go fully into its terms.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the satisfaction which all members of the house must feel on the conclusion of an agreement with our neighbour the United States must also, of course, be related to the terms of that agreement, and we have not yet had an opportunity to ascertain what those terms are. The negotiations on this important matter between representatives of the two countries have been going on not merely for the three-year period mentioned by the Prime Minister but for some years previously, as my hon. friend the Minister of Justice, who played such an important part in these negotiations, was careful, I believe, to point out in a recent address he delivered at Windsor, Ontario.

I know how difficult these negotiations have been. Perhaps the house will permit me to mention only one further name in connection with them. I refer to the name of General McNaughton, who has worked so hard and so long to bring about an agreement of this kind.

As the Prime Minister has stated, the treaty is to be signed tomorrow but it is not effective until it is ratified; and ratification, under our

constitutional practice if not our constitutional law, requires approval by this house. I think the procedure recommended by the Prime Minister, namely the reference of this matter to the committee on external affairs, is an appropriate one. The treaty also must be approved by a two thirds majority of the Senate of the United States, and that is always a question mark in agreements of this kind. Perhaps we should also remind ourselves that while this treaty must be approved by the two legislatures, it cannot be made effective in its implementation without the co-operation of the province of British Columbia. That is another element which enters into the final consideration of this matter, and I do not need to stress the importance of that element, I am sure, to my hon. friends the cabinet ministers from British Columbia.

We welcome the conclusion of the treaty or the signature of the treaty, and we will make our own views on the terms of the treaty known when it is before the house for consideration.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group listened with great interest to the Prime Minister with respect to the signing of this treaty tomorrow. I could not help but think of another treaty that was signed with respect to the Columbia river, namely the Oregon treaty of 1846, article 2 of which provides that British subjects shall have the right of navigation from the upper waters of the Columbia river to the sea in perpetuity. In return for that right the British government gave the United States government all the land lying between the Columbia river and the Pacific to the 49th parallel.

I trust that when we conclude this treaty we do not come off second best. The treaty of 1846 was violated by the United States through the building of the Bonneville and Grand Coulee dams without so much as a word being written to any authority in Canada. My authority for that statement is the leader of the official opposition to whom I wrote a letter when he was under secretary of state and asked him to search the correspondence in order to find whether there was a single line about this violation of the treaty by the United States government. He wrote back and told me that after a most extensive search of external affairs files his officials could not find a line written about the violation of the Oregon treaty of 1846.

I wish to say that under the circumstances we in this group cannot agree with what appears to be this unnecessary and unseemly haste in signing this treaty. I am not alone when I say that. The Prime Minister knows that what I am saying is true. I make that statement in the knowledge that I have the wholehearted support of numerous organizations in my constituency, in British Columbia and of thousands of persons directly or indirectly affected or concerned who are members of all parties in this house.

I suggest that this is a rather hasty step. There are numerous organizations and thousands of persons opposed to or affected by the proposed building of the High Arrow dam, and their consulting engineers have not had an opportunity to present their views since the filing of that memorable document —I believe it is No. 180—on November 18 last. I was physically wounded on November 18, Mr. Speaker, but I was spiritually wounded when I read that document on November 18 last which contained the proposals for the draft treaty to which the Prime Minister has now referred.

I might say that these people and these organizations and their consulting engineers have not had an opportunity since November 18 to make representations to the government of Canada or to appear before the external affairs committee in order to give their evidence and to cross-examine some of the people who live down in the cubbyholes of the water resources branch of the Department of Northern Affairs and National Resources and who think in terms of hydro development only, not in terms of human beings and the conservation of natural resources.

My second reason for opposing this treaty and for suggesting that this is unnecessary and unseemly haste is that we shall not have during this debate, namely the debate on the budget, an opportunity properly to discuss this matter because the speakers are arranged for today, and they have their rights and will go ahead, and the treaty will be signed tomorrow.

My third reason is that Hon. W. A. C. Bennett, premier of British Columbia, announced on Thursday, December 29 that he has ordered the British Columbia energy board to make a complete investigation into the cost of the Columbia and Peace river projects, including the downstream benefits, in order, as he says, to let the sunlight into the facts; and that the first report is to be handed to him on or before March 1. That means without a doubt some months of delay.

In addition Hon. Ray Williston, minister of lands and forests has also said that he is most reluctant to predict when construction will start, as the British Columbia and federal governments have yet to agree on the terms of the agreement. Then he gave these reasons. All engineering studies must be completed, including the studies of the British Columbia energy board—

Mr. Speaker: Order. I think the hon. member is perhaps anticipating the discussion of the treaty when it comes before parliament. The two matters presented to the house were the announcement of the signing of the treaty tomorrow and then the proposed procedure for ratification by referring the signed treaty to this house and its committee. If the hon. member has matters that go beyond that point, he could more properly defer them until the matter comes before the house for consideration.

Mr. Herridge: I am trying like the devil, Mr. Speaker, to be in order, but at the same time I am also trying to have my say on behalf of the people whom I represent, as to why we consider this to be unnecessary and unseemly haste. Mr. Williston also says that a water licence must be issued and hearings held before any decision is made. In view of these matters there is likely to be the lapse of months before there is an agreement between the government of Canada and the government of British Columbia, and Mr. Williston says that the agreement between the government of Canada and the government of British Columbia should be attached to the treaty.

Finally, Mr. Speaker, regardless of what the chaps down in the water resources branch of the Department of Northern Affairs and National Resources say, they have not an inkling as to where the foundation for this High Arrow dam will be. I do not know how we can agree to do certain things by treaty when we do not know if suitable foundations can be found for the High Arrow dam.

I was very glad to hear the Prime Minister say that various organizations, individuals and so on will have opportunity to make representations before the external affairs committee. I am sure in making that statement he wishes to provide every opportunity to those thousands of people of all parties whom I represent who, through their consulting engineers and representatives on the water resources committee of the Arrow lakes, and the city of Revelstoke, are very anxious to come to Ottawa and present their evidence.

I trust that when the external affairs committee meets to discuss this treaty we shall hear the impregnable General McNaughton, who is the Rock of Gibraltar on Columbia development, and Mr. Bartholomew, consulting engineer of Vancouver, and possibly representatives of various other engineering firms. I hope these authorities and persons may be heard.

In conclusion, Mr. Speaker, we do think that under all the circumstances there is an unnecessary and unseemly haste in signing this treaty at this time.

Mr. Diefenbaker: Mr. Speaker, I do not want to enter into a controversy in any way, realizing this would be improper, but I cannot allow to go unchallenged the statement that there was unseemly haste in any way. It has been pointed out that for three years efforts have been made by this government and its representatives to bring about the attainment of an objective that has been the hope of Canadians, and particularly residents of British Columbia, for many years. The Leader of the Opposition has stated that there were discussions during the period the former government was in office, and certainly there has been available to anyone the opportunity to understand the course being followed.

The negotiating committee has been meeting and I am very confident, with that one observation, in saying to the hon. member who has just spoken that I appreciate the fact that he is willing and desirous of having this treaty submitted to the committee on external affairs.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, there was one matter I omitted to bring to the attention of the house, and that was to advise that a copy of the statement which I will make in Washington tomorrow morning, and also of the treaty, will be sent to all members so that each and every one will have before him or her a record of the statement and also the treaty itself.

TRADE

O.E.C.D.—TABLING OF REPORT OF PREPARATORY COMMITTEE

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, on December 15 the Prime Minister stated, as reported at page 824 of *Hansard,* that the convention and the report of the preparatory committee in respect of the organization for economic co-operation and development would be tabled. The following day, as reported at page 866 of *Hansard,* I tabled copies of the convention and of the communique that was issued at the close of the conference. I now have received and table copies in English and in French of the report of the O.E.C.D. preparatory committee.

Proposed Legislation

PUBLIC ACCOUNTS

TABLING OF PUBLIC ACCOUNTS AND AUDITOR GENERAL'S REPORT

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I acquaint the house of the fact that I have today tabled the report of the Auditor General for the fiscal year ended March 31, 1960, in English and in French, and copies in English of volumes I and II of the public accounts for the same fiscal year. The French edition of the public accounts will be available, it is expected, about February 1 and will be tabled immediately it is received.

CANADIAN NATIONAL RAILWAYS

QUEBEC—AUTHORITY FOR CONSTRUCTION OF BRANCH LINE

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

That it is expedient to introduce a measure to provide that the C.N.R. Railway Company may construct a line of railway from a point at or near Mile 72 of the Kiask falls subdivision to Mattagami lake, in the province of Quebec, and to authorize temporary loans to the company out of the consolidated revenue fund, not exceeding $9,660,000 to enable the work of construction and completion of the railway line to proceed forthwith; and to authorize the company to issue and the governor in council to guarantee securities to finance the expenditures upon the said line up to the said figure.

Motion agreed to.

TARIFF BOARD ACT

AMENDMENTS INCREASING MEMBERSHIP, PROVIDING FOR SALARIES, ETC.

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Tariff Board Act to increase the number of members of the board from five to seven, and to provide for the salaries of the new members; and to provide further for consequential amendments designed to facilitate the adoption by the board of a panel system.

Motion agreed to.

HOUSE OF COMMONS

POSTPONEMENT OF PRIVATE MEMBERS' MONDAY

Mr. Speaker: Before calling the next order, which takes us beyond routine proceedings, I think it is my duty to call the attention of the house to the rule applicable this session which permits the government to postpone private members' Mondays for two successive Mondays, which is the rule governing at the present time.

When the order of business for today was announced before the adjournment the house leader indicated this would be the resumption of the budget debate, making it a government day. As the preceding private members' Mondays had been used for government business this was in conflict with the rule under which this day necessarily is a private members' day, unless the house otherwise orders by unanimous consent.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I notice that when the house leader referred to the business for today he stated that we would proceed with the budget. That, of course, we cannot do without unanimous consent on the part of the house. We are in the hands of the house in this regard. If the house will accept an informal suggestion—or motion, if you will, as informally put as I am now putting it—that this day be one for the discussion of the budget rather than a private members' day, we will proceed as outlined by the house leader.

If on the other hand we have not unanimous support, then naturally it will be private members' day.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I was in the house at the time the business was announced when we adjourned, and I had understood from the hon. member on the other side who was looking after the business of the house that there was an understanding. It was in that spirit that I accepted the announcement, and I feel sure that so far as the official opposition are concerned we accept it in that spirit.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on behalf of the effective opposition I wish to say that providing a day is reserved for us at another time, we agree with the suggestion made by the Prime Minister.

Mr. Speaker: Then does the house give its unanimous consent to the use of this day as forecast by the house leader, without of course depriving the house of a private members' Monday, which is postponed. Is that agreed?

Some hon. Members: Agreed.

MOTIONS FOR PAPERS

SINCLAIR REPORT ON B.C. FISHING INDUSTRY

Motion No. 19—**Mr. Pickersgill:**

For a copy of the report submitted to the Department of Fisheries by Dr. Sinclair on the British Columbia fishing industry.

Hon. J. A. MacLean (Minister of Fisheries): This report is in the hands of the printers. I am afraid I was overoptimistic in my estimate of when it would be available. It is not yet ready, and in the circumstances perhaps the hon. member would be agreeable to having the motion stand.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I am quite agreeable to having it stand. I am equally agreeable to having it passed, because the minister does not have to comply with this motion tomorrow. Let the minister do whatever he wishes.

Mr. Speaker: Does the minister insist that the motion stand? It is the pleasure of the house to adopt the motion?

Motion agreed to.

COLUMBIA RIVER—DEVELOPMENT OF HYDRO RESOURCES

Motion No. 27—**Mr. Herridge:**

For a copy of all telegrams, reports, correspondence and other documents exchanged between the Minister of Northern Affairs and National Resources or any officials of his department and the government of British Columbia, the officials of any corporation or other persons, regarding the development of the hydro resources of the Columbia river in Canada.

PENSION VESTING FOR INCOME TAX PURPOSES

Motion No. 28—**Mr. Herridge:**

For a copy of all telegrams, correspondence or other documents exchanged between the Minister of Finance or any officials of his department and any officers of any trade union with respect to pension vesting for income tax purposes.

He said: With the permission of the house I should like to withdraw these two motions, because I omitted to include the dates, and I do not want to go back to confederation. This was caused by the influx of a bevy of ladies into my office while I was dictating the motion.

Orders discharged and motions withdrawn.

EXTERNAL AFFAIRS

INQUIRY AS TO MEETING WITH NEW U.S. PRESIDENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether during his visit to Washington he expects to be able to meet with the incoming president of the United States or any member of the new administration.

Right Hon. J. G. Diefenbaker (Prime Minister): Desirable as that would be, I think the Leader of the Opposition will realize the difficulty of arranging any such meeting at the present time, in view of the fact that the inauguration ceremony takes place in a matter of two days thereafter. It would be almost impossible to arrange such a meeting. However, my hope is that at an early date following the inauguration of the new president an opportunity will arise which will permit discussion between President Kennedy and myself regarding matters of general interest to our two countries.

LAOS—REASSEMBLING OF SUPERVISORY COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Is the minister in a position to tell the house what the policy of the government of Canada is regarding the reactivation of the truce supervisory commission in the troubled situation in Laos, particularly in the light of the published views of the governments of the United Kingdom, France and the United States? When the minister is replying, could he also tell the house whether or not Canada is included among the 14 countries which Prince Sihanouk of Cambodia has suggested as potential participants in a proposed conference to deal with the matters originally discussed in 1954 in Geneva?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I have a short statement here with regard to the position in Laos. The Canadian government has been very much concerned about this situation. We have been doing our best to help work out a satisfactory solution. If the hon. member who raised this question has read press reports to the effect that the countries he has mentioned have agreed on a definite position, he is quite wrong, because this whole situation is being negotiated.

Canada's direct concern in this matter arises from our membership in the international commission for supervision and control in Laos which was established by the Geneva conference of 1954. As the hon. member for Essex East knows, Canada did not participate in that conference but together with India and Poland was named to a supervisory truce commission. It will be recalled that the international supervisory commission adjourned *sine die* in July, 1958 following two requests by the Laotian government for its departure. I have seen the suggestion made that this commission was adjourned at Canada's insistence, but the insistence came from the Laotian government, and the adjournment was approved by Canada and India, being a majority of the nations on the truce supervisory commission.

Inquiries of the Ministry

In the second of these requests dated May 22, 1958 the prime minister of Laos stated that the task entrusted to the commission was "drawing successfully to a close", and he expressed on behalf of his government "its profound gratitude for the efficacious assistance" of the commission in re-establishing in the kingdom a "normal situation in respect of its unity, sovereignty and independence".

The normal situation to which the prime minister of Laos referred in his letter of May, 1958 did not, unhappily, long prevail. In the fall of 1959 the security council took steps to send a committee to Laos in the hope that this would stop the trouble which had already arisen there at that time. I believe there is still a United Nations presence in Laos, but obviously that fact has not prevented the civil war which is going on there at the present time.

In recent months the situation has become increasingly critical so that at present there is not only a state of open hostilities, but also an absence of general international agreement on the identity of the legitimate government. The communist side is claiming that one man is the head of the government and the western side is claiming another man is. The conflicts within the country have engaged the sympathies and to some extent the support of interested powers outside. This is actually a question which the big powers must settle. If they do not agree to some settlement, in any event if they do not keep their hands off, it is quite impossible for other countries to bring about a settlement.

I need hardly remind the house that such a situation imperils not only the sovereignty, independence, unity and territorial integrity of Laos, which the members of the Geneva conference undertook to respect, but also the peace and stability of southeast Asia in general. In these circumstances it is natural that there should have been suggestions that a return to Laos of the international supervisory commission might help to reduce tensions and promote a peaceful solution of Laos' difficulties.

Such a reconvening of the commission presented, however, certain difficulties. In the first place, the task originally assigned to the commission was to supervise and control the application of a cease-fire agreement already reached by the great powers at the Geneva conference. There was no question of the commission itself bringing about a cease-fire. Second, it is clear that an essential condition for the effective functioning of a commission so constituted would be basic agreement among the other powers directly interested on its return and on the duties it should perform. Third, unless it had an assurance of the co-operation of the Laotian authorities it would be unable to operate effectively, and its position would be untenable.

I might remind the house in this connection, Mr. Speaker, that at the time the commission was adjourned we made quite clear that if in any future emergency the commission were to be recalled, we would always have in mind the rights of the Laotian government and would respect the sovereignty of that country. The Canadian government, therefore, while fully in sympathy with the desire to take action quickly in a critical situation, has sought to ensure that the means adopted would be those which, given the existing circumstances, would give the best promise of success.

It was with these considerations in mind that I suggested an exploratory mission might be sent to Laos to find out by consultation with the Laotian authorities what precisely could usefully be done in the present circumstances.

In this connection my suggestion was that the three key men who went to southeast Asia in 1954 or 1955—I am not sure of the exact year—would go back as members of this exploratory mission. The Canadian member was Brigadier Sherwood Lett of Vancouver, who is now chief justice of the supreme court of British Columbia. Chief Justice Lett has offered to go out in this capacity. The Indian representative, Mr. M. Desai, unfortunately has not been well and is on sick leave. This proposal that there be an exploratory mission made up of these three key people was not generally acceptable.

Discussions are continuing with a view to establishing an agreed basis of proceeding along these general lines. We for our part are willing, if the United Kingdom and the Soviet union as co-chairmen of the Geneva conference so request, and subject to the agreement of the king of Laos—we are not asking for the agreement of the Laotian government but for the agreement of the king of Laos, who is the only generally recognized constitutional authority of that country—to appoint a Canadian representative to the commission, which would do what it could in present circumstances, by consultation and advice, to contribute to the restoration of peace and to the maintenance of the sovereignty, independence, unity and territorial integrity of Laos.

If the commission is reconvened I do not believe that all the responsibility for working out a cease-fire could fairly be placed on it, because in fact it was never set up to bring about that result, but it probably could help.

As I pointed out earlier, discussions are taking place. Some discussions are actually

going on this afternoon, and when there is anything further to report I will be very glad to bring it to the attention of the house.

Mr. Martin (Essex East): I did not understand the last part of my hon. friend's statement. Did he say anything about the question whether Canada was going to participate in the conference suggested by Prince Sihanouk of Cambodia?

Mr. Green: I also made the statement some days ago that I thought, for a long term settlement, it would be wise to reconvene the Geneva conference. There was a good deal of opposition to that being done. In addition there has been the suggestion that there should be a broadened Geneva conference made up by adding countries in the area which are neutral, for example Burma and Thailand. Several of the Asian countries have been proposed. Whether agreement will be reached to recall the original conference or to call an expanded conference, I do not know. This is one of the questions which is already under discussion.

Hon. J. M. Macdonnell (Greenwood): The minister mentioned the representatives from Canada and India. Did he mention the representative from Poland?

Mr. Green: I did not mention the one from Poland because I cannot pronounce his name. I have not it with me at the moment. He is a very distinguished gentleman, now in the Polish foreign office.

POWER

COLUMBIA RIVER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. H. W. Herridge (Kootenay West): I ask leave to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of public importance, namely the unnecessary and unseemly haste on the part of the government of Canada in making arrangements for the signing of a treaty between the government of Canada and the government of the United States to provide for certain developments on the Columbia river in Canada.

I ask leave to move the adjournment because there will be no opportunity during this debate to discuss this question adequately, and because there will be a delay of months, without doubt, before an agreement is signed with the government of British Columbia.

Hon. E. D. Fulton (Minister of Justice): I am sure Your Honour would feel that the question of urgency which it is necessary to establish before accepting this motion will have been disposed of by what the Prime Minister has said, namely that the treaty will be submitted to this house with the suggestion that it be submitted in turn to the external affairs committee before there is any question of ratification. There is no treaty in existence until the document has been signed. The house has the assurance that before the treaty becomes effective, before ratification is made, the house will have the opportunity for the fullest discussion and the fullest information through the medium of the committee procedure. It is therefore surely obvious that there is no urgency for debate at this time in the way in which that term is used in connection with a motion to adjourn the house to discuss a matter of urgent public importance.

It is suggested to me—I was looking at the rule at the time—that the hon. gentleman has apparently become so confused about dates generally that he has also got his motion before the house at the wrong time according to the rule which now prevails.

Mr. Speaker: Unless the hon. member for Kootenay West has an answer to the observations of the Minister of Justice I am prepared to dispose of this request.

Mr. Herridge: I only wish to say that I congratulate the Minister of Justice on trying to make a good case out of a bad case.

Mr. Speaker: If the earlier statements about this treaty had not been before the house there might, perhaps, have been some doubt in my mind as to whether we should interrupt our proceedings to discuss this matter; but, as has been pointed out, the treaty, when signed, has to come before the house and until then there is nothing which can come before us. It seems to me that the necessary urgency does not exist in this case, and I regret that I must refuse the hon. member's request for leave to move this motion.

Mr. Herridge: I appeal Your Honour's ruling.

Mr. Speaker: I think it is well settled that the decision of the Speaker under rule 26 does not involve a point of order and cannot therefore be appealed.

FLOODS

BRITISH COLUMBIA—REQUEST FOR REPORT ON DAMAGE

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the Prime Minister whether he is in a position to make a brief report on the heavy damage arising from the recent heavy rains in the lower mainland of British Columbia.

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): Following notice from the hon. gentleman, a report was secured from Victoria at two o'clock this afternoon. This report indicates that there has been serious flooding in three areas due to the run-off of snow and heavy rains. That flood reached a maximum late yesterday afternoon. The areas affected were the Fraser valley, the Vancouver north shore area and the Duncan-Cowichan lake area of Vancouver island. A number of dams are spilling over in one or more of these areas.

The municipal and provincial authorities have been dealing with the emergency conditions and seem able to deal with the problem locally. The army was called upon to assist at Duncan and has had a platoon of regular troops there from ten o'clock last night. The militia has assisted from time to time at certain other places. The army has provided some sandbags to supplement those supplied by the department of highways, and the information is that there are ample supplies available to meet whatever conditions may be expected. A number of people have been evacuated from the low-lying areas.

The minister of highways of British Columbia has stated that there is fairly extensive damage to highways. Both the main railway lines in the Fraser valley have been cut by the flood, and the P.G.E. line has been similarly affected. The Hope-Princeton highway remains open, but there is some danger that it too may be unfit for travel shortly. It is still too early to estimate the damage.

One life has been lost, and I am sure I speak for all members of the house when I extend the sympathy of hon. members to the people in the areas affected as well as to those who suffered damage or who are bereaved.

Mr. Regier: In expressing thanks to the Prime Minister for his very detailed and adequate reply I should like to direct a related question to the Minister of Public Works. Will the government now reconsider its advice to me as given by the minister in a letter dated January 6, and immediately convene a meeting of all three levels of government for the purpose of arriving at a mutual solution to the problem caused by the rapid and repeated flooding of the Coquitlam river?

Hon. D. J. Walker (Minister of Public Works): This problem is entirely concerned with flood relief and prevention, since navigation is not involved. Only at times when flooding is of such seriousness as to constitute a national disaster does the federal government become a party when requested to do so by the provincial government. Consequently this government cannot properly convene a meeting of the three levels of government, as suggested now by the hon. member for Burnaby-Coquitlam. Over a year ago in a letter dated August 19, 1959, the Department of Public Works has suggested a remedy to the hon. member.

Mr. Regier: Is it the contention of the government even at this date that Kanaka creek is a navigable river, while Coquitlam river is not?

COMBINES

PULPWOOD—STATEMENT ON REQUEST FOR INVESTIGATION INTO ONTARIO PRICES

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, on December 21, the hon. member for Port Arthur asked whether any petitions or requests have been received for an investigation in northwestern Ontario similar to the one conducted two years ago in Quebec and eastern Ontario into prices of farm or settlement pulpwood.

I am now informed by the director of investigation and research under the Combines Investigation Act that one complaint of a preliminary nature was made to the director in the latter part of 1957, the main purpose of which was to ascertain from the director what information he would require before considering himself placed upon inquiry under the Combines Investigation Act.

This discussion referred to the pulpwood industry in the Port Arthur-Fort William area, and was not subsequently followed up with the director. Neither I nor the director have received any other petitions or requests in relation to the matter raised by the hon. member.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Forestry. Can the minister inform the house whether he has received a letter from the president of the united pulpwood farmers' association of the district of Thunder Bay complaining about the price of pulpwood being paid to farmers? If so, would the minis-

Mr, Speaker, the hon. member for Fort

Hon. H. J. Fleming (Minister of Forestry): Mr. Speaker, the hon. member for Fort William was kind enough to send me notice of his question. In answer to the first part of the question, I have received such a letter from the president of the united pulpwood farmers' association of the district of Thunder Bay.

With reference to comments, I have only this to say. It seems to me that any extended comment on a matter of such importance and pertaining to so many provinces would be rather difficult to make on such short notice. I should be glad to discuss it with the hon. member privately, but I could not make any comment at the moment.

Mr. Badanai: A supplementary question, Mr. Speaker. Would the minister assure the house that he will give this question such study and make a report in due course?

Mr. Flemming (Royal): Yes, Mr. Speaker; I have no hesitation in giving that assurance.

LABOUR CONDITIONS

UNEMPLOYMENT—INQUIRY AS TO AREAS INDICATED IN BUDGET SPEECH

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Finance, and ask if he could now indicate to the house the areas of the country where unemployment is high to which he promised measures of assistance in his budget speech, as reported at page 1006 of *Hansard*. I refer to the sentence which I quote, as follows:

—I shall announce measures of assistance for new industries in areas of the country where unemployment is high.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I think that the house, in deference to constitutional practice, would expect that the budget proposals would be adopted at least in general before the government proceeded on that course that was proposed in the budget speech.

Mr. Chevrier: A supplementary question, Mr. Speaker. How, then, can the members of the house deal effectively with the contents of the budget speech unless they have some indication of what these areas are, as the minister indicated in his speech?

Mr. Fleming (Eglinton): Why, Mr. Speaker, I should not have thought the hon. member would be so ready to confess a lack of ingenuity as to say what he just now says. He and others have been talking as though there were many such areas. I think the hon. gentleman had better make up his mind just where he stands on this question. This is a matter now under debate, and I do not think the hon. gentleman is suffering from any inhibitions or restrictions in debate in this regard.

Mr. Chevrier: Is it not a fact that there are distressed areas in this country? Why will the minister not tell us what they are?

Mr. Fleming (Eglinton): I think I can point to one, Mr. Speaker, and that is the constituency of Laurier, not because of unemployment particularly but because of its representation here.

HEALTH AND WELFARE

SOUTH SASKATCHEWAN DAM—REPORTED COMPLAINTS ON WORKING CONDITIONS

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, on December 19 I answered a question in the house directed to me by the member for Rosetown-Biggar, relating to a letter circularized by Joseph A. Thain, international representative of the international union of operating engineers, concerning conditions in the construction camps of Piggott Construction Company and the Ingram Construction Company, Limited, South Saskatchewan river project. I now have a report on the present situation.

An inspector of the public health engineering division of my department visited the former camp in August of last year and forwarded his report to the prairie farm rehabilitation administration of the Department of Agriculture. This was consistent with the departmental policy of referring such technical reports to departments or agencies responsible for letting contracts in order to avoid duplication. The P.F.R.A. forwarded a copy of this report to the construction companies with instructions to carry out the recommended improvements.

After I received a copy of Mr. Thain's letter I asked my department to examine both construction camps involved. Inspection took place earlier this month, with representatives of the union and the company present. It would appear that at least some of the complaints were based on out of date information, as all conditions that could be observed showed that attention had been given to my inspector's previous report. The company's project manager stated this had been done within a few days of the P.F.R.A. instructions.

The Ingram Construction camp consists of only one trailer used as living quarters, very close to the Piggott camp and sharing its facilities. Certain matters merit attention here, and a further examination will take place in a week or two.

I might add that the union has been told that some of its complaints should be taken up directly with the company, as it is felt that they do not come within the authority of the Public Works Health Act. The union

has expressed to my department its satisfaction with the manner in which it had been arranged for the general situation to be improved.

FINANCE

IMPLEMENTATION OF SMALL BUSINESS LOANS LEGISLATION

On the orders of the day:

Mr. Frank McGee (York-Scarborough): Mr. Speaker, I have a question for the Minister of Finance. Can he tell the house when the small business loans legislation will come into operation?

Hon. Donald M. Fleming (Minister of Finance): I am glad to inform the house that rapid progress has been made; the regulations have been distributed and, I am informed, the forms have been sent to the some 5,000 bank branches throughout Canada. It is expected that lending operations will commence on January 19.

Mr. W. M. Benidickson (Kenora-Rainy River): May I ask a supplementary question. When the opposition so facilitated the advancement of this legislation, why is it necessary for the banks to be unaware of this affair until January 19?

Mr. Fleming (Eglinton): Mr. Speaker, in the first place it is not a fact that the banks will be unaware of this until January 19. The banks were aware of this measure from the time it was announced in the speech from the throne nearly two months ago. Of course the banks have no access to the regulations before they are made. That is what has been in the course of distribution. So, Mr. Speaker, I am afraid that the hon. member is just barking up the wrong tree completely today.

CANADIAN BROADCASTING CORPORATION

REPORTED SENDING OF STAFF TO LABOUR INDOCTRINATION SEMINARS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of National Revenue whether he could obtain for us the response of the C.B.C. management to the charge contained in the current union publication called *Artech* and made by a Mr. Eldon Wilcox, that the C.B.C., at public expense, has sent management staff to indoctrination seminars on labour relations in the United States sponsored by the American management association, an association sometimes referred to as a union-busting organization.

[Mr. Monteith (Perth).]

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I have no knowledge of the matter to which the hon. member refers. I will make inquiry and report in due course, without accepting responsibility therefor.

CHRISTMAS GREETINGS BY PRIME MINISTER AND LEADER OF OPPOSITION

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Minister of National Revenue. Would the minister inquire from the C.B.C. why it was that on the French television network eleven o'clock news broadcast on December 25 the announcer expressed the Prime Minister's Christmas greetings without the latter's photograph appearing on the screen, whereas immediately afterward the announcer presented Mr. Pearson who, for four or five minutes, appeared on the screen and presented his Christmas greetings to the people, who are disgusted with the Leader of the Opposition for preferring Khrushchev's domination to an atomic war?

Hon. George C. Nowlan (Minister of National Revenue): I will take up this matter with the C.B.C., Mr. Speaker.

BUDGET SPEECH—COMPLAINT RESPECTING COMMENTATORS

On the orders of the day:

Mr. Speaker: The question which the hon. member has just asked reminds me that on reading *Hansard* for our last sitting I find, as recorded on page 1032, that I misunderstood the question asked by the hon. member for Roberval. Had I understood it correctly I would probably not have interrupted him at that time, and I wish to express my regret that I did, not having understood the full import of his question at the time.

INQUIRY AS TO LIVE BROADCAST OF LIBERAL RALLY

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of National Revenue a question about the C.B.C. based on a perhaps apocryphal report. Would the minister check into the report that the embarrassing incident of the live microphone on the Liberal rally platform during the television broadcast was an attempt by the C.B.C. to guarantee at least one "live Mike" at the Liberal rally?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I did not have the opportunity to listen to the program, so I am not in a position to comment thereon.

I understand there was a great deal of difficulty in determining who was "live Mike" and who "dead Mike", and possibly the C.B.C. may be forgiven for having made some mistake.

LABOUR CONDITIONS

UNEMPLOYMENT—INQUIRY AS TO OPINION OF MINISTER OF FINANCE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, the last question asked by the hon. member for Port Arthur suggests one for the Minister of Finance. May I ask the Minister of Finance whether, as a result of his rather extended tour last week, he is now convinced that there is an emergency unemployment problem in Canada?

Mr. Benidickson: He said so.

Mr. Speaker: Order. Before the Minister of Finance responds to this question I should caution him that it does not seem to me to be a proper question to introduce on the orders of the day. There have been exceptions dealing with some specific phases of unemployment, but it seems improper to me to throw in the whole subject in that way.

Mr. Fleming (Eglinton): On a question of privilege, Mr. Speaker—

Mr. Martin (Essex East): With great respect, Mr. Speaker—

Mr. Speaker: If the contending members cannot settle which one shall take the floor, I think I shall have to allow the Minister of Finance to raise his question of privilege.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I take strong exception to the suggestion that at any time I have suggested there was an emergency in Canada. On the contrary, I expressly disclaim it. The only emergency I know of is the one existing in the minds of members of the Liberal party.

Mr. Benidickson: Nobody is unemployed.

Mr. Martin (Essex East): Mr. Speaker, since you allowed the question of the hon. member for Port Arthur, which I am sure most objective persons would admit was a little more frivolous than the question I put to the Minister of Finance, I am sure you will not mind my asking the Minister of Finance again whether as a result of his extended tour he is not now convinced that there is—

Some hon. Members: Order.

Mr. Martin (Essex East): —a very serious level of unemployment in this country that calls for a recognition by the government of an emergency situation.

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member has disregarded my caution—

An hon. Member: It is quite habitual.

Mr. Speaker: —if I may put it as mildly as that. He is in effect asking for an opinion on a very broad subject, and I am not satisfied that it is a proper question for the orders of the day. If I allowed the minister to deal with it I am sure it would result in an exchange which could only be interpreted as a debate.

Mr. Martin (Essex East): Mr. Speaker—

Some hon. Members: Sit down.

Mr. Martin (Essex East): Hon. gentlemen can do what they want but they are not going to prevent us from discussing this matter of unemployment in the house.

Mr. Speaker: Order. The hon. member for Essex East.

Mr. Martin (Essex East): I rose to discuss the point of order but you acceded, and properly so, to the right of the offended Minister of Finance to speak first. Speaking to the point of order, I suggest with great confidence to Your Honour that a question addressed to the Minister of Finance in respect of unemployment is not merely asking him for an opinion but is giving him the opportunity of declaring whether or not there is to be a revision of government policy regarding the foremost domestic problem now facing the country.

Some hon. Members: Order.

Mr. Speaker: Order. If the hon. member would confine his remarks to the question of order I would be glad to hear him, but when he gets into arguments relating to the question itself that is a different matter.

Mr. Martin (Essex East): I was about to say that if the question which the hon. member for Port Arthur put to the Minister of National Revenue a moment ago was a proper one, surely it is proper for me to ask the Minister of Finance whether or not his contact with the people has convinced him that there is serious unemployment in Canada.

Mr. Speaker: The hon. member will have plenty of opportunity to do that in course of the debate which we are waiting to begin.

Inquiries of the Ministry

POST OFFICE DEPARTMENT

REPORTED CONVEYANCE OF RUSSIAN PROPAGANDA MATERIAL

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to direct a question to the Postmaster General. According to Ottawa city councillor Murray Heit, as reported in this morning's newspapers, a Russian review containing outrageous propaganda is on every newsstand. Has the Post Office Department an organization set up for the purpose of allowing or forbidding this kind of review to go through the mails? If not, does the minister intend to set up such an organization?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, it is not the function, responsibility or, as far as I am concerned, the desire of the department to engage in the censorship of material that passes through the mails, and we take a very firm stand in this regard. If the courts wish to declare something to be improper mailable material, we will respect the views of the courts, but I am not going to accept the hon. member's suggestion that the department or myself should make censors out of ourselves.

Mr. Martin (Essex East): That is not the view of the Minister of Justice.

Mr. Denis: Can the minister tell the house whether in some other department there is an official who has any control over this Russian magazine going through the mails?

Mr. Hamilton (Notre Dame de Grace): To the best of my knowledge, no, sir.

[*Later:*]

Mr. Denis: Mr. Speaker, I have a supplementary question to the one I put to the Postmaster General. I should like to know what facilities the government has for examining, scrutinizing and detecting magazines such as this review, if there is nobody in the Post Office Department who does this.

Mr. Speaker: Order. I think the hon. member is posing a question which might be better brought up on the estimates of the department. It is not of such great urgency, and as the practice has been going on for some years it seems to me it is a proper subject for comment on the estimates.

CHRISTMAS OVERTIME WORK—INQUIRY AS TO METHOD OF PAYMENT

On the orders of the day:

Mr. Azellus Denis (St. Denis): I wish to direct a question to the Postmaster General. I am informed that additional work performed by postal employees in the Christmas and New Year period will be paid for by means of holidays instead of cash, whereas in the past employees had the choice of being paid either by means of holidays or by cash. Will the minister tell the house the government's views on that subject?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I am delighted to tell the house first that there has been a great deal less overtime on the part of our permanent staff this Christmas than ever before, owing largely to increased efficiency in operation and certain changes which have been made. That overtime which has occurred on the part of our permanent staff has previously been either liquidated or paid in cash, largely at the option of the local postmasters. This year we have encouraged them in every possible case to liquidate it by means of time off during the month of January rather than making payments, in the interests of efficiency and economy.

AGRICULTURE

REPORTED TRANSFER OF PLANT PRODUCTS DIVISION INSPECTION SERVICE

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. It has been brought to the attention of the Fort William chamber of commerce that the inspection service of the plant products division of the federal government may be transferred from the lakehead to Winnipeg. Can the minister inform the house whether such a move is being contemplated by his department?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I received notice of this question, for which I wish to thank the hon. member. I can assure the hon. member that no such move is being contemplated.

TRADE

RED CHINA—INQUIRY AS TO NEGOTIATIONS FOR SALE OF WHEAT

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I should like to address a question to the Minister of Agriculture or the Minister of Trade and Commerce. After the long Christmas adjournment can the ministers indicate to the house what progress may have been made in discussions with trade representatives from China with respect to the sale of western wheat?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, all I can say at this time is that discussions are in progress.

THE BUDGET

SUPPLEMENTARY FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Wednesday, december 21, consideration of the motion of Hon. Donald M. Fleming (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Benidickson.

Mr. Speaker: Before recognizing the hon. member for Burnaby-Coquitlam (Mr. Regier) I should like to ask the house to consider the amendment which was moved by the hon. member for Kenora-Rainy River (Mr. Benidickson) when this debate was before the house at its last sitting. The amendment was not placed before the house at the time because of the reservation which I had in my own mind as to the form of amendment which, as hon. members will note if they refer to the proceedings of our last sitting at page 1046 of *Hansard*, contains a substantial preamble which quotes the words of various members of this house on both sides.

I have spent a considerable amount of time in reviewing the amendments which have been made on supply and ways and means motions in the past, and have a fairly good idea of what the practice of the house has been over the last 90 years or more—it has changed somewhat from time to time—and I have come to a tentative conclusion, which perhaps I might express as a tentative conclusion and then hear hon. members who may wish to assist in the settlement of this rather interesting and, in my opinion, important procedural question; or I shall be glad to hear them first.

Mr. Bell (Carleton): Mr. Speaker—

Mr. Speaker: Perhaps the better course will be to hear the members who wish to speak. I think I might give the choice to the hon. member who moved the motion or to someone from that side of the house to support it, and then hear the reply in the second place.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Personally, Mr. Speaker, I would have preferred to hear your tentative conclusion on the subject in order to abbreviate the argument as much as possible. However, in the circumstances I intend to deal with the argument put forward by the hon. member for Carleton (Mr. Bell), which was brief and which seemed to me to be wholly wrong.

The hon. member for Carleton rested his case mainly on two points. One was that the amendment was vague. That is something which I do not admit for a minute. But even if it is vague I submit that in the light of Beauchesne's citation 202 in the fourth edition, paragraph 4, that circumstance does not in the least invalidate the amendment. That citation reads as follows:

> (4) An amendment cannot be ruled out because of its vagueness. Speaker Cockburn, having to give a ruling on an amendment to the address, on March 30, 1870, said: "the amendment is certainly very vague, but I cannot say the house cannot express a vague opinion".

But, Mr. Speaker, of course there is nothing vague about the amendment, with the possible exception of citations from members of the treasury benches opposite which are part of the preamble. If the hon. member for Carleton chooses to regard those statements as vague, of course that is his privilege. However, we put them in this amendment precisely because we thought they were far from vague. We thought they were precise and precisely wrong.

I now come to the other objection that was made by the hon. member for Carleton, namely that the amendment is long. May I say that the amendment is not as long as are some of the amendments that have been made in the fairly recent past, as no doubt Your Honour's researches have shown; and I am not going back beyond the year 1930 in this regard. Moreover, Your Honour indicated that you had some doubts about the recitation of argument and other matters which are properly the subject of debate. Perhaps at the same time I could deal with the question of the length of the amendment and the question of the recitation of argument in presenting these points.

At the time the point first came up for consideration I drew Your Honour's attention to the amendment moved by Mr. Heenan, the then member for Kenora-Rainy River, in the year 1932, which is reported in the *Journals* at page 76 for that year, and which cites in considerable number not precise statements made by ministers of the crown but press reports of statements made by ministers of the crown in order to substantiate the substantive part of the resolution. While I should like very much to read the citations, because they are exceedingly relevant to the situation in Canada, the reading of them would perhaps not be relevant to the point of order. Moreover, I have no doubt that Your Honour has already read them. The effect of them is, of course, to substantiate the substantive motion.

In addition, in the second session of 1930, which was the first session held after the election of that year, on September 18, as reported at page 29 of the *Journals*, an amendment was moved by Mr. Mackenzie King to a motion to go into committee of ways and

means and a subamendment was moved by Mr. Garland, the then member for Bow River and seconded by Mr. Woodsworth, and it was very much in the form of this amendment, although not so long. It had only three clauses beginning with "whereas" while our amendment has six clauses; but I submit that there is no sanctity in having only three clauses rather than six. Indeed, some of the other citations I will give will be rather longer than that one.

In 1932, at page 247 of the *Journals*, a situation similar to the one to which I have just referred arose. Mr. Ralston had moved an amendment. Mr. Gardiner, the member for Acadia—I think that was his constituency—seconded by Mr. Woodsworth, moved an amendment of an argumentative sort very similar to this one. This time there were five clauses beginning "whereas". Therefore there does not seem to be anything unusual about the present case.

Then in the session of 1932-33, as reported at page 377 of the *Journals*, an amendment was moved also by Mr. Ralston, and a subamendment was moved on that occasion by Mr. Lucas. I think he was the member for Camrose; I believe that is what his constituency was called. That was seconded by Mr. Woodsworth. It also contains a series —four of them, indeed—of clauses giving an argument for the proposition.

As I have said, the most precise parallel so far as quotation is concerned is the one I drew to Your Honour's attention the other day. That is the one moved by Mr. Heenan and seconded by Mr. Mackenzie of Vancouver Centre, a very distinguished parliamentarian indeed.

There is one other consideration which I shall advance with respect to amendments to the motion to go into committee of ways and means. As Your Honour knows, the motion to go into committee of ways and means is one which gives the Minister of Finance the opportunity of reviewing the whole ambit of the economic and financial policies of the government.

I have had a careful search made of the records going back to the year 1930, and I find that until the present government came into office there were only, at any time, two points of order raised on amendments to the motion to go into committee of ways and means, and in neither case by the government. Mr. Bennett raised a point when he was leader of the opposition in 1937, and the Speaker, in July of 1942, initiated a discussion on the regularity of an amendment moved by Mr. Blackmore. But on no occasion in all that long period when Mr. Bennett was prime minister, when Mr. Mackenzie King was prime minister or when Mr. St. Laurent was prime minister, from 1930 on, has the government ever raised a question about these amendments to go into committee of ways and means.

I suggest it is for the very good reason that this is an opportunity, and has always been regarded as an opportunity, for the fullest and freest debate on the whole scope of the economic and financial policies of the government. It is surely a simple rule that any subject which may be discussed in a debate may also be the subject of a motion seeking to get the opinion of the house. What we are seeking to do in our amendment is not merely to get an affirmation from the house on the substantive part of the amendment, which Your Honour indicated you had already found in order, but also on the preamble on which that conclusion is based.

It seems to me it would be unduly restrictive of the rights of private members as against the government—I do not exclude the government members, I mean private members in all parts of the house—it seems to me it would be unduly restrictive of the historic rights of the representatives of the people as opposed to the advisers of the crown to restrict the opportunities of the House of Commons to express itself upon the whole ambit of the economic and financial policies of the government.

Finally, sir, I would draw Your Honour's attention to the amendment itself and to the citations which seem to be the only part of it to which Your Honour took much exception, or suggested there might be any exception taken. The citations are in paragraph 2. There are eight of them. They all deal expressly and explicitly with matters which were the subject of the address by the Minister of Finance in presenting his budget on December 20. They deal precisely with subjects which he dealt with upon that occasion. It is true that they express views previously expressed by the minister himself and by some of his colleagues on those subjects, but surely it is not going to be argued that the previous expressions of ministers are not a proper subject for debate and, indeed, for decision by the house.

Mr. Bell (Carleton): For debate.

Mr. Pickersgill: And, indeed, for decision by the house. It is precisely because we wish to point out how wrong the government has been, and to get the house to agree with us about this proposition, that we have listed these citations. Of course we do not deny the right of any hon. member to disagree with us, but we do claim the right to have our proposition voted upon by the house and not

extinguished at the initiative of the government. It seems to me that is precisely the point that is at issue.

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, may I add to the submissions which I made to Your Honour on December 21, particularly by drawing Your Honour's attention to paragraph 2 of citation 198 of Beauchesne's Parliamentary Rules and Forms, which reads as follows:

A motion should not be argumentative and in the style of a speech, nor should it contain unnecessary provisions or objectionable words.

What applies to a motion of course applies equally to an amendment. My submission to Your Honour is that the amendment proposed by the hon. member for Kenora-Rainy River offends directly against this citation. The purpose of an amendment or of a motion is to state principles and to propose action or remedies; it is not to engage in argumentation or documentation which is appropriate to the proposing speech or to the subsequent supporting speeches. If citation 198 were not followed, I submit it would be impossible to draw the line anywhere and a whole speech might be incorporated into an amendment.

The hon. member for Bonavista-Twillingate has cited the amendment which was moved on February 23, 1932 by Hon. Peter Heenan, and he says that is the parallel. Quite obviously it is the parallel and the model for this particular amendment. But I would point out to Your Honour that the point now raised was never argued before Mr. Speaker Black and the precedent the hon. member quotes, therefore, has all the authority that a default judgment would have if it were cited in a court of law.

I have read two of the other amendments which were cited by the hon. gentleman. I have not read the third. In the two I have read the point at issue was not raised. So I respectfully submit they in no sense constitute a precedent. What the hon. gentleman's argument really amounts to is this. It is a suggestion that somehow, by some means or other, on ways and means it is possible to breach the rules of the house; that the ordinary rules of the house do not apply in respect of a motion to go into committee of ways and means.

Of course the rules relating to amendments, the rule relating to argumentation, to relevancy, and all the rules relating to motions and amendments apply to a motion on going into supply or a motion on going into committee of ways and means equally well. If this lengthy and argumentative preamble is, as I submit, objectionable, may I ask Your Honour to consider whether the whole amendment itself is not completely out of order. On December 21 Your Honour indicated a tentative belief that the final paragraph might constitute a substantive amendment which might be severed from the objectionable parts.

My submission to Your Honour is that it is not so severable. It is clear, I think, that Your Honour has the right, before putting a motion or amendment to the house, to make technical corrections so that the motion or amendment shall conform to the usages of the house. That is citation 199.

That right does not exist, in my respectful submission, where the objectionable features of an amendment or motion are of a substantive nature, which is the case before the house. I submit it is only on the basis of this distinction that one may reconcile the first and fourth paragraphs of citation 199, or reconcile the decisions of Mr. Speaker Lemieux and Mr. Speaker Macdonald and that of Your Honour on the budget amendment of last year. Where the objectionable parts are substantive the principle which applies is that cited in the second subparagraph of paragraph 4 of citation 199, which reads in part as follows:

Any irregularity of any portion of a motion shall render the whole motion irregular.

The authority for this is Smith's Digest, seventh edition, at page 233. I endeavoured to follow that further, but I found that neither in the library nor elsewhere could Smith's Digest be obtained. I hope that lack may be rectified.

This was the position which was taken by Mr. Speaker Macdonald on November 23, 1949 when Mr. Stanley Knowles proposed an amendment on second reading of an act to amend the Combines Investigation Act. Mr. Speaker Macdonald ruled that part of the amendment was admissible but another part was objectionable on the ground that it called into question an issue already decided by the house. In the *Journals* at page 280 of the second session of 1949 Mr. Speaker Macdonald is quoted as follows:

Since the proposed amendment is defective in part I must rule the amendment as a whole out of order.

That decision was appealed and upheld by the house. Any seeming conflict there may be between that decision based on citation 199 and the decision of Mr. Speaker Lemieux of April 28, 1924, with which Your Honour is familiar, and Your Honour's own decision of April 4, 1960, must be reconciled, I submit, by reference to the last sentence of citation 193, which reads as follows:

If the irregularities are trivial or without bearing on the main purpose of the motion the house may agree to rectify them, but the mover himself cannot amend his own motion.

My submission is that citation 199, paragraph 1, and the first sentence in paragraph 4 of the same citation must be read as applying to irregularities which are trivial or without bearing on the main purpose of the motion. With respect, I submit it is only on such a basis that citation 199 is consistent within itself and that the various rulings from the Chair may be reconciled. Where the objectionable features are not trivial I submit there is no power either in the Chair, either before or after the amendment is put, or in the house, without unanimous consent, to sever the objectionable from the unobjectionable portions of an amendment or motion.

Consequently, in summary, it is my submission that the preamble to the amendment is out of order for the reasons I put forward at the last sitting of the house and for the several reasons I have advanced today. It being out of order, the whole amendment is irregular and cannot be rectified without the unanimous consent of the house, and neither the mover nor Your Honour has any authority to make any correction even before the amendment has been put to the house.

Mr. Erhart Regier (Burnaby-Coquitlam): I have a number of observations to make on arguments which have been put forward on this matter. I cannot agree at all with the claim made by the hon. member for Carleton (Mr. Bell) on December 21 that the amendment was irregular or that the hon. member who moved it was guilty of too much vagueness. Hon. members will recall that the amendment concluded by saying:

> Therefore be it resolved that the financial policies of the government do not deserve the confidence of this country.

That, I submit, is very clear and explicit. However, I have to agree with the new submissions which have been made by the hon. member for Carleton, because it is my belief that in a want of confidence motion, though we may have an argument and a proposal, or an argument or a proposal, these must be brief and must, to use the words of the hon. member for Bonavista-Twillingate, contain the subject matter of the proposal or of the argument and not all the substantiating evidence which might be called in aid. If the argument of the hon. member for Bonavista-Twillingate were adopted there would be nothing to prevent my asking that the whole of my last year's budget speech be incorporated in an amendment that I might wish to move. If only the argument of relevancy were used, there would be nothing to prevent a textbook which some economist had written on national finances from being included in the amendment, and being allowed.

[Mr. Bell (Carleton).]

Let us observe for a moment what happens in a court of law. If the prosecution is able to win a conviction it is only a conviction in respect of the offence as alleged; it is not an endorsation by the presiding officers of each and every detail of the allegations which the lawyer for the prosecution has presented. I feel that relevancy alone is not the guiding consideration, and that in a want of confidence motion there should be only the bare statement of the argument and/or proposal given in its most concise form.

The people of Canada are watching procedure in this House of Commons more closely than ever before, and I should like to remind you, Mr. Speaker, that you have the right to make your decisions independently of decisions which have been made in the past. If errors have been made by speakers in the past I appeal to you, Mr. Speaker, to make every effort to correct those errors and establish public confidence in our manner of doing business.

I fear I must take exception to the attitude of the hon. member for Carleton during the last part of his remarks, however, because I do believe that an opposition party ought to have rights in this house. Had you made a decision on the amendment, Mr. Speaker, there might be some merit in the proposal now put forward that you ought not to accept any part of the hon. member's amendment. However, because of the fact that you delayed your decision, and because the hon. member for Kenora-Rainy River was thereby debarred from moving any other amendment in the course of his address I do not believe the people of Canada would take very kindly to the proposal advanced by the parliamentary secretary, as I understand it, that the hon. member for Kenora-Rainy River ought now to be barred from making his amendment in such a manner as would be acceptable to the Chair.

Mr. Pickersgill: Just before you make your decision, Mr. Speaker, may I point out that the hon. member for Carleton did introduce some new arguments in his remarks, and I should like to deal with them briefly. It seems to me that the only argument of consequence made by the hon. member was that the preamble was irrelevant and unnecessary. Then he suggested to Your Honour that, because it was a matter of substance, if it were ruled out the whole amendment would fall.

It seems to me that the parliamentary secretary cannot have it both ways. If the preamble is a matter of substance, as I contend it is, then it should be left as part of the amendment. If, on the other hand, it is a mere matter of verbiage, then it is within the competence of Your Honour, as you did last

year, to direct that the necessary corrections be made so as to conform with Your Honour's view of the rules.

Moreover, I had also intended to make the argument which was made very aptly by the hon. member for Burnaby-Coquitlam (Mr. Regier), namely that Your Honour had in fact ruled upon the substance of this amendment and that we had accepted the ruling in good faith on December 21. I did not direct any argument to this question because I understood that the question had been settled and that the only question which was open to us to argue at the present time was the one on which Your Honour expressed these words:

I have my doubts about the recitation of argument and other matters which are properly the subject of debate.

Those words are to be found at page 1048 of *Hansard* of December 21. As the hon. member for Burnaby-Coquitlam has said, it seems to me that in view of the opinion given by Your Honour at that time it would not be competent to re-open that subject at this stage.

Mr. Speaker: I appreciate the very helpful contributions made by hon. members. It is a pity to take time on procedural matters but there is a point of importance here which I feel warrants disposition in a methodical way. I ask the indulgence of the house for a minute.

There are two questions. One is the validity of the amendment itself, whether it is defective or not in accordance with our rules. The other is what we can do about it if it is defective in part which was the question raised by the parliamentary secretary.

On the amendment itself may I say that the fact that this amendment is in almost the precise form of the one in 1932 to which I have been referred requires very good reasons if it is not to be accepted because precedents are the basis of our parliamentary procedure. I have searched out what seemed to me to be the best statements of principle and I have reviewed the precedents. I should like to give what appears to me are the most reasonable statements of principle starting with one from Redlich's "The Procedure of the House of Commons", volume 3, page 187 which clearly differentiates the stages of procedure in the house. The author says:

The third of Bentham's fundamental principles concerns the forms of parliamentary procedure themselves; he points to the necessity for a precise separation, both in form and in substance, between the different stages in the formation of the will of a political assembly, and for a strict observance of the definite logical order of these stages. Proposition, debate as a means of expressing the views of members, and voting are to be kept from intermixture. They must follow strictly in order, and must be governed by a further rule, namely, that of the unity of each parliamentary action.

That general view is supported by Bourinot. It was applied to our practice by both Bourinot and Beauchesne. Perhaps I might quote Beauchesne's fourth edition, citation 191, section 1. This is a part which has not yet been quoted:

A motion is a proposal made by one member, in accordance with certain well established rules, that the house do something or order something to be done, or express an opinion with regard to some matter or thing.

May, to the same effect, at page 418 of his 16th edition, states:

—an amendment is a subsidiary motion moved in the course of debate upon another motion, which interposes a new cycle of debate and decision between the proposal and decision of the main motion and question.

What I have been trying to differentiate is the proposal put forward in the amendment, the debate which will follow, and the decision which the house will take on that proposal. What troubled me was the confusion in this motion of proposal and debate. I think it is clear to all hon. members that when the statements of members of the house which are quoted extensively as they are here, that is something that very properly could be done in the course of debate to support the verbiage which precedes those statements. That was the problem which seemed to me to be raised by this amendment.

That brings me to the question of whether a preamble before any motion is proper in our practice. It is clear in practice that there have been many. Bourinot says about preambles at page 317 of his fourth edition:

Instances may be found in the Common's journals where questions are prefaced by a preamble, but that form is obviously inconvenient, and not in conformity with the correct usage of either the Canadian or the English parliament.

He is correct about the English parliament because there preambles are not allowed but he is certainly not fully correct when he says it is not in conformity with Canadian usage as has been demonstrated by the citations from our practice to which reference has already been made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

Beauchesne's citation on the same subject has already been given by the hon. member for Carleton (Mr. Bell) but for charity I shall repeat it. This is citation 198 of Beauchesne's fourth edition:

A motion should not be argumentative and in the style of a speech, nor should it contain unnecessary provisions or objectionable words.

So much for a general statement of the law with respect to preambles to motions as applied in Britain and as viewed by Bourinot and to some extent by Beauchesne. It is notable, although perhaps not persuasive in this house, to cite the rule of the other place

on this very subject which expressly states that no motion shall be presented with a preamble. That is rule 27 of the other place but we have no such rule.

I have, then, to deal with the practice in this house. It is clear from our practice that the preamble has been used a great many times as a preface to a motion of amendments to the motion to go into committee of ways and means. The same applies to motions to go into supply. An extensive review shows that for many years there were no instances of such an amendment with a preamble and then they would come back into style again and be used. I have collected almost all the instances which are numerous but I do not propose to trouble the house with them. Suffice it to say that it is amply established that a preamble is in accordance with our practice. Whether or not it should be is something for the rules committee to determine.

I think it might very well be considered by the rules committee because if you have a preamble then the question of what may go into the preamble raises difficulties for the Chair. The use of the preamble can lead to absurd lengths. By way of example I have only to cite one instance which I found in 1899 of a motion the preamble of which covers 21 pages of the journals. It is, I might say, a procedural monstrosity, but there it is as a precedent. It contains exactly what this amendment contains, that is quotations from political speeches made in and out of the house, quotations from letters and there are even quotations from some confidential documents included in that preamble. That, and the instance of 1932, to which the hon. member for Bonavista-Twillingate refers, are the only two instances of actual quotations being part of the preamble. I have come to the conclusion that this amendment is not defective because it is preceded by whereas clauses, reasoning clauses or argumentative clauses in the form of a preamble, our practice to the contrary is too well established to be upset.

On the other hand, I am not satisfied that I should follow the precedent of allowing a preamble to include a lot of matter which would properly be part of the debate which would follow the motion. Therefore, without trying to split hairs at all, because I think there is a principle involved, even if the principle is only that the Speaker must do his best to draw the line somewhere between what may and what may not go in the preamble. I have come to the conclusion that the whereas clauses in this amendment are not objectionable in accordance with our practice, but that the inclusion of the eight quotations in one recital and of the two quotations in another recital are bad and should not be permitted to restore a practice which has not been followed since 1932 and only twice in our whole parliamentary history, as far as I can discover.

Therefore, my view is that if the amendment stopped after the figures "1960" in the second paragraph, so as to eliminate "as illustrated by the following ministerial statements" and the eight numbered paragraphs of statements then set out, and stopped again after the third recital after the words "Leader of the Opposition" so as to eliminate clauses one and two which quote further, the rest of the amendment would be admissible, according to our practice.

This brings me to the point that seems to trouble the hon. member for Carleton, as to what can be done about the motion at this time. This amendment has not been placed before the house. It was moved by the hon. member for Kenora-Rainy River (Mr. Benidickson) and seconded by the hon. member for Bonavista-Twillingate. Instead of placing it before the house by reading it I indicated my doubts about it and reserved the motion for further consideration by the mover, the seconder and the house. I agree that, if the motion had been placed before the house neither I nor anyone else could alter it without the consent of the house.

I accept the argument of the parliamentary secretary to the Minister of Finance that if an amendment is bad in part it is bad in toto and, therefore, must be rejected; but I do not accept his proposition that the motion is not subject to revision with the consent of the mover, or rather at the instance of the mover if it is bad and he wishes to remove the error, provided that it has not been put in the possession of the house.

Briefly, this is the conclusion I have come to. If the hon. member for Kenora-Rainy River wishes on his own initiative to ask that what I have described as faulty parts be removed from the motion I would be sympathetic and would feel that I had the authority to accept his proposal and then to put the motion in the possession of the house for the first time after the formal and procedural objections had been disposed of.

Mr. Pickersgill: The hon. member for Kenora-Rainy River was called from the house; he expected to be back but he is not here. I was the seconder of this motion and, as he pointed out to me before he left that he would leave the discretion to me, I wonder whether the house would consent in the circumstances to my accepting Your Honour's suggestions on his behalf?

Mr. Speaker: Is it agreed to?

Some hon. Members: Agreed.

Mr. Speaker: Then, I take it, by leave of the house, the hon. member for Bonavista-Twillingate is asking that the amendment proposed by the hon. member for Kenora-Rainy River be resubmitted in a revised form as suggested and put before the house in that form. Then, I think I should now put the motion before the house, if it is agreeable. The motion of Mr. Benidickson, seconded by Mr. Pickersgill, is as follows:

That all the words after the word "that" be deleted and the following be substituted therefor:

Whereas the budget speech of the Minister of Finance rests on the assumption that deficits and unemployment are inevitable features of Canadian life under Conservative government;

Whereas members of the government have failed to assess correctly economic developments in Canada in 1960;

Whereas the government persisted stubbornly and blindly in this mistaken assessment of the economic situation notwithstanding warnings issued in this house, notably by the Leader of the Opposition;

Whereas the necessity of calling parliament this fall to deal with emergency legislation and a supplementary budget confirms the position taken by the opposition and reveals clearly lack of foresight and leadership on the part of the government;

Whereas the supplementary budget converts a proposed surplus of $12 million into a forecast deficit of $286 million, which will be the fourth consecutive deficit of this government and exceeded in the post-war period in amount by only the last two deficits of this Conservative government;

Whereas the new deficit was unplanned, unexpected, and is a result of a wrong assessment of the economic situation;

And whereas the proposals in the budget do not deal with the deeper causes and manifestations of economic difficulties, and in particular with massive, persistent and growing unemployment;

Therefore be it resolved that the financial policies of the government do not deserve the confidence of this house.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, before the Christmas recess I had expressed in this house the disappointment, as I understood it, of the Canadian people with the contents of the baby budget. I deplored the fact that Liberal spokesmen had done a lot of weeping and wailing and offered no constructive proposal as to alternative policies. I refer briefly to the amendment and indicate that if that is all the Liberal party has to offer, then it has no constructive proposals to place before the house and the country.

We were meeting at a time when there was great unemployment in Canada. In the fall we were meeting at a time when our markets were not growing adequately to meet the needs of the Canadian people, Canadian industry, Canadian agriculture and Canadian workers. We were meeting at a time when actually there was a decline in the level of investments in Canada, when investment money for intensive production, for adequate establishment of markets to meet our social needs and to meet the ever-growing effects of automation was not forthcoming. Such money was not being made available in adequate amounts. We were meeting also at a time when there was yet a further decline in the net income of Canadian agriculture.

We had been called to an early resumption of the sessions of this parliament. We were here as early as November 17. We heard a lengthy speech from the throne containing a number of detailed proposals. We had been informed that we could expect a baby budget before the Christmas recess. We had received many oral assurances such as the assurance "You ain't seen nothing yet".

We had spent three years clearing out the underbrush and now the government was going to go after the tall timber. The expectations of the Canadian people were at a very high level indeed. There was hope that at long last after much procrastination the government was finally intending to tackle the needs of the Canadian people with imagination and with some vigour. Now, even as late as this afternoon, we hear with utter dismay the announcement by the Minister of Finance (Mr. Fleming) that there is no emergency. If there is no emergency I might well ask why the beating of the drums and the great effort to assure the Canadian people in the dying months of last year that the government recognized that conditions were very serious indeed and was about to undertake action that would begin to fell the tall timber.

Instead, in the baby budget we received only a denial in effect of most of the campaign pledges of the Conservative party. Instead of the implementation of campaign pledges we had a return on the part of Canadian Tories to the old, traditional and discredited Tory policies of the late R. B. Bennett's regime, policies of higher tariffs, curtailment of production in the industrial and the agricultural world, higher interest rates for the Canadian people, and any blessings that were handed out in the baby budget were, in typical Conservative fashion, handed out only to big business and to the investment houses of Canada.

Some people have the idea that when the masses of the people are hungry all you have to do is to add a little more to the tables of the overly wealthy and somehow a little more will roll off the tables and therefore the needs of the masses will be met. The remedies that have been proposed by the government will in our opinion not help us with regard to unemployment. They will not help to find markets for our products. They

will not supply us with the needed investment capital. They will not help the needs of Canadian agriculture.

I welcome the effort of the government to reduce the percentage of equity that Americans hold in Canadian industry. However, at the same time the minister also imposed a severe additional hardship on our lower levels of government in that in effect he imposed a penalty on the municipalities and the provincial governments when they go to money markets abroad in order to meet their capital needs. The government by its proposal contained in the budget is in effect raising the interest rates that will have to be paid by hospital boards, school boards and municipal and provincial governments because it is obvious that when they want to borrow money in New York henceforth they will have to pay a higher rate than they otherwise would have had to pay.

I regret also that while the government is discouraging United States investment in Canadian equities and Canadian corporations the government is not making any proposal that would help to increase Canadian investment in Canadian enterprise. No action is proposed that will replace United States capital with our own Canadian capital, and we do need capital if we are going to meet the problems that a growing labour force calls for, that automation calls for and that intensification of our agricultural and industrial production and the lowering of our cost of production call for. We need this investment capital. The government made one welcome move but as it made that one welcome move it completely failed to encourage Canadian investment in Canadian enterprise and imposed an added hardship and burden on the backs of local levels of government.

The government has done nothing to entice the investment in Canadian enterprise of funds at present idle in Canada and much more will have to be done in this regard than is being done. Canadian investors do not invest their hard earned savings in visions. They will invest only in potentialities that are realistic, and when they see in office a government that can give them no assurance of expanding markets Canadian investors will continue to be unwilling to listen to the slogan: Let us buy Canada back for the Canadian people. Definite and specific plans and policies are needed rather than a patchwork policy and, as is so often the case with this government, a locking of the stable door after the horse has been stolen. We should be able to analyse what our credit needs are. I see no evidence that the government is even attempting to analyse what national credit needs are at all levels. We should also be able to analyse how we can best meet these needs.

This brings me directly to the possible role of our nationally owned Bank of Canada. The minister cannot for much longer deny responsibility for the actions of the Bank of Canada. The minister is the major shareholder according to the terms of the Bank of Canada Act. The Bank of Canada was established to serve the needs of the Canadian nation and the executive authority of our nation cannot begin to absolve itself of responsibility for action or lack of action or lack of adequate legislation that prevails with regard to the Bank of Canada.

The Bank of Canada is very much involved in levels of interest rates and the time has long since passed when the Bank of Canada should have been given the added responsibility of being responsible for credit needs and operations within Canada in addition to ruling over the issuing of our currency.

In all these fields markets are indeed necessary. They are the key. They are the key to unemployment, to agriculture, to business, to industry, to our investment problems and, incidentally but of great importance, to the revenues of our governments. We must enhance the tempo of our Canadian economy. The people will forgive a government that makes mistakes but the people will not forgive a government that sits idly by, formulates no policies and comes forward with no proposals for major action at this time.

The minister for the first time in the house admitted the responsibility of the government for the economic welfare of the Canadian nation. Now we ask, where are the policies which acknowledge that he in fact admits his responsibilities? Where are the markets? They can be obtained mainly at home by enlarging the public sector of our economy, by paying adequate pensions to retired civil servants, by paying a fair share of the national income to agriculture, by an adequate national program of minimum wages in co-operation with the provinces, by altering income tax rates so as to encourage consumption levels, by a comprehensive social security plan and, above all, by a policy of full employment.

Half a million unemployed in one year's time account for the loss of $1.5 billion to our national economy. When you ask us, where are you going to get the money to give this added purchasing power to the Canadian people, we point to the heavy cost so far as our wealth is concerned of half a million unemployed. We point to what in our opinion are the needlessly heavy expenditures of the Department of National Defence every year

amounting to over $1.5 billion. There are markets abroad that are available. We ought to recognize that trading blocs exist and that they are growing in number and effectiveness. We ought to affiliate ourselves as much as possible with this new movement and we should also recognize that there are markets available through an adequate program of international aid.

I know that our proposals may be radical. The Canadian people do not want radical election promises. They want election promises, yes, but along with them they want a political party to tell them what policies must be implemented in order that those election promises can be met. I am convinced that we cannot afford a Tory government much longer in Canada. If this government wants to remain in office, if it wants to retain the good will of the Canadian people, I believe it can only adequately do so by appealing to the people and by the holding of a national election immediately. I therefore move, seconded by the hon. member for Timmins (Mr. Martin):

That the amendment be amended by adding thereto the following:

"In that the government has failed to adopt financial policies that would provide for:

(1) lower interest rates,

(2) an expansion of the money supply commensurate with a full employment program, and

(3) assistance to export and domestic industries by taking those steps necessary to reduce the premium on the Canadian dollar."

Mr. Speaker: Unless some hon. member wishes to raise any point on the subamendment I shall put it to the house.

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, four weeks less one day have elapsed since the Minister of Finance (Mr. Fleming) presented so admirably the supplementary budget. During that period of time its proposals have been submitted to searching analysis and to exhaustive scrutiny both at home and abroad. Already it can be said that the budget has stood the acid test, that it has made major advances to the achievement of its basic objectives. Indeed, Mr. Speaker, seldom has a budget met such a universality of approval from objective critics.

Some hon. Members: Oh, oh.

Mr. Bell (Carleton): Indeed, in all the double talk and phony enthusiasm of a certain political rally last week there was no substantial criticism of its proposals, even from the trinity of back room big shots, the triumvirate of big business moguls, Gordon, Sharpe and Drury, who have now taken over the Liberal party.

But in his speech on December 21 the official although apparently now displaced financial critic of the opposition, my good friend the hon. member for Kenora-Rainy River (Mr. Benidickson), adopted a scattergun approach. Filled with statistical inaccuracies—I have a whole volume of them under my hand—his speech was an odd assortment; a curious, confused conglomeration of unrelated strictures; a hodgepodge of ill-digested criticisms.

In 30 minutes I cannot hope to deal with all his random jibes, but this I say: Nowhere were his criticisms founded upon principles. Nowhere did they reveal any consistent policy of the opposition except its total inconsistency, an inconsistency which last week became more pronounced, more vivid and more notorious as the heir presumptive, Walter Gordon, led hon. gentlemen opposite to embrace policies they have constantly spurned, to profess that which they have always eschewed.

But what was worse, Mr. Speaker, was this. The speech of the hon. member for Kenora-Rainy River was an odd assortment of pessimism, of economic despondency, of fiscal melancholy. Characteristic it has become of hon. gentlemen opposite to indulge in preachments of gloom, in woebegone and lachrymose descriptions of our economy and Canada's future.

They do themselves and this vibrant nation much less than justice when they indulge in such tactics. Canadians today have no reason for dejection and no reason to be downcast. A temporary levelling out in our high rate of economic expansion and progress ought not to be magnified out of all proportion. It should rather be assessed for what it is, namely a period of adjustment and readjustment, a period to mark the onward and upward progress of our development. This I assert, and it will be my confident theme: no government has ever taken in such a short period of time so many productive, constructive, potent actions to provide stimulus to the economy, impetus to development, incentive to expanded employment, increased social justice payments, expanded assistance to provinces and municipalities, and inspiration to Canadian unity. These are the real facts, and this is what I propose to demonstrate to the house. But first may I say a word about the amendments.

The subamendment just moved by my friend the hon. member for Burnaby-Coquitlam (Mr. Regier), the fiscal spokesman for socialist thought, as well as his confused and disordered arguments, in my opinion succeeds in demonstrating that the only thing new about the new party is its name, that

the so-called new party is nothing more than the old party with a new but equally repulsive socialist mask.

The amendment of the official opposition, now mangled and mauled as it has been, remains negative and destructive, illustrating only the barrenness of Liberal policy. What will interest the house now will be the tactics or the strategy of the official opposition. Now that their rally is over, will they pursue the stratagems which they adopted earlier in this session and which I can sum up in four words, fire and fall back. Yes, Mr. Speaker, their stratagems have been to fire and fall back; to criticize and criticize, to calumniate and calumniate; to scatter volleys of smears, sneers and innuendos. But when the chips are down, what a different story it is. Then, meekly, row upon row, up they stand to be counted in favour of that which they denounced, in favour of the very legislation for which they reserve their most violent strictures. How will they ultimately vote on this budget? Will they vote as they talk or will they continue, Janus-like, to face front and look back?

Last week, with the new found bravado, with what I thought was uncharacteristic bluster, the Leader of the Opposition (Mr. Pearson) expressed an urgent desire to commit political hara-kiri. That time, whenever it comes, I predict will be too soon to suit him, despite his roll of political drums, despite all his sounding brass and tinkling cymbals. Some of us have a rather vivid recollection of what happened after the last bold challenge hurled by the Leader of the Opposition. But before he commits political suicide on the electoral front, let him concern himself with this House of Commons. Specifically, I invite the Leader of the Opposition, when he speaks on this budget, to state where he stands on fiscal issues, to rationalize the approach that he and his colleagues have taken this session. It will be interesting to see what strategy the opposition will pursue in the future, the Lamontagne strategy or the Walter Gordon strategy or just the old-fashioned strategy of Joey Smallwood's favourite disciple.

I want to discuss some features of the speech of the official critic of the opposition, the hon. member for Kenora-Rainy River. It seemed to me that he took a sort of gleeful satisfaction, sometimes a gloating self-satisfaction out of alleged variations or divergences between certain forecasts and actuality. Certainly his words were waspish and sarcastic.

Let me remind the hon. gentleman of three things. First, that the so-called divergencies between forecast and actuality, whether in gross national product, in revenues, in expenditures or in deficit are much less than has frequently been the case, as indeed was the case during much of the time when he was parliamentary assistant to the minister of finance. What we had then was budgeting by accident. Second, when one is dealing with very large figures, percentage calculations of course tend to wide margins of error in lump sum figures. A 1 per cent error in a calculation of $100 is $1, but a 1 per cent divergence in a calculation of $6 billion is $60 million.

Finally, I believe the hon. gentleman should be fair enough to concede that forecasts were made in a very different atmosphere than today and that equivalent or greater margins have occurred during the same period in similar calculations in the United States and other western countries.

My hon. friend will recollect that in the United States and here, the year 1960, the new decade, commenced with what now appears to have been an exaggerated, or at least temporarily exaggerated optimism. In the writings of economists such phrases as "the soaring sixties" and "the sizzling sixties" were commonplace. Let my hon. friend read the business and economic periodicals at various periods in early 1960. I have a wide variety of extracts under my hand as I speak, and only wish that I had the time to place them on the record.

What they do establish beyond peradventure is that if the Minister of Finance has had a margin of error, he was in the very best company, governmental, professorial and editorial, in the United States, Canada and elsewhere. A most realistic comment is that made by the federal reserve bank of New York in November, 1960, at page 190 of its publication in reviewing developments for the year:

> Through most of the year, the economy has been dominated by a process of business and consumer adjustments to the abatement of inflationary pressures and the dissipation of inflationary psychology. These developments have been associated with all-round ample capacity, ready availabilities of all kinds of finished goods and materials, and generally stable prices. This rather unspectacular period of adaptation has continued through September and into October and may yet have some distance to go.

With reasonable accuracy that describes as well the Canadian scene. But in this period of adaptation and despite these adjustments let us not forget that our production has risen, our G.N.P. is at an all-time high, personal incomes are at an all-time high, employment is higher—though regrettably accompanied by unemployment—retail sales have increased. exports are at an all-time peak. Now, in this budget, the government seeks to assist all

sections of the community to adapt to the new environment to meet the challenge of the 1960's of new demands, new products, new markets in Canada and abroad.

Already a most significant feature is apparent. By orderly decline the Canadian dollar has reached the position where it is trading close to parity with the United States dollar. Virtually all Canadians will welcome this development, from which the economy will derive substantial and immediate benefits in terms of production and employment.

When my hon. friend the member for Kenora-Rainy River was speaking of deficits I had the impression that he was scoring debating points rather than getting to the heart of the issue. Nowhere did he whisper what he, or his old mentor, Professor Lamontagne, or his new mentor, the heir presumptive, Walter Gordon, would have done to avoid a deficit. Would he have raised taxes; and if so, which ones? Or would he have reduced expenditures; and, if so, which ones? He cannot have it both ways. He cannot face both directions at the same time.

Yet that is precisely what the Liberal rally in its plethora of platitudes last week sought to do. Reduced taxes and greatly increased expenditures; that was the theme, that the battle cry. How gullible do they think Canadians are? Under the proposals made by that rally the deficit this year would certainly exceed $1 billion.

I suggest to my hon. friends that it is time for a return by them to responsible thinking. Apparently what is needed is not only a royal commission—with or without psychiatrists—to examine the defence policy of the Leader of the Opposition, but a royal commission to examine the fiscal thinking of the trio of tyros who have replaced the four horsemen opposite.

Then the Leader of the Opposition states that these proposals are only a guide; by which expression I assume he attaches to them the same importance as Mackenzie King did to the 1919 resolutions when he described them as a chart and compass. The most significant of the "chart and compass" resolutions took 38 years to implement. Doubtless we may anticipate equivalent expedition with this guide.

What I say to my hon. friend the member for Kenora-Rainy River is this: It does not lie in his mouth to wax indignant about a deficit at one moment, to exercise all his considerable powers of flip, glib sarcasm about Conservative governments in one breath, and then at the next moment in the next breath to advocate policies the inevitable result of which would be larger and larger deficits. Yet that is precisely the dilemma upon the horns of which he has gored himself; and so gored, what a pretty sight he is.

One of my friends summed up this dilemma of the Liberal rally rather well, I think. He said, "I've read everything they said, and they succeeded, on most issues, in getting themselves in the undignified posture of straddling the fence, with an ear to the ground, grinding an axe." What an apt description of a rally which, with all its vaunted efficiency, succeeded in dealing with only 12 out of 21 resolutions, and only that number after a revolt of the young grass against the big business brass.

But what of this deficit? Naturally the Minister of Finance is not pleased by it; but should it cause any concern? What it represents is 5.6 per cent of our total expenditure this year. There have been many times in our history, both under Liberal and Conservative governments, when a deficit represented a very much higher percentage of expenditure. On an earlier occasion in the house I gave the house detailed figures and indicated that the great Liberal finance minister of all time, Mr. Fielding, in his second last budget expressed no concern over a deficit which represented 35 per cent of the total expenditure of that day. The famous Dunning budget showed a deficit of 19 per cent of expenditure. The less noted Dunning budget, his first after 1935, showed a deficit of 14.6 per cent of expenditure.

One might relate the deficit to the gross national product or place it on a per capita basis. On either basis, there have been many, many occasions when the deficit has been very much larger than now projected.

But the real test is, what is our per capita debt? The hon. member for Kenora-Rainy River delights in dialectical exercises about the alleged rise in our net debt. He is strangely silent about our ability to pay. The realistic test is our per capita debt. In 1950 it was $849; in 1956 it was $701; in 1960 it was $679. With this forecasted deficit, as of March 31, 1961, it will be of the order of $684. Despite the greatest increase in services to our people of any equivalent period in our history, our per capita debt is $17 less than in 1956. That is the realistic way to look at the issue. What a record in which to take pride.

Let me turn now to the budget purposes and the tax changes. The objectives of this budget may be summed up and stated in five propositions: to provide immediate stimulus to employment; to intensify the impetus to balanced economic development; to encourage more effective use of Canadian savings in the development of our resources and industry; to assist in the improvement of our

balance of payments situation and to keep a tight rein on inflationary pressures.

Let us test the proposals of the Minister of Finance in the light of these objectives, these targets. First, what of employment? The budget must be examined, of course, in the totality of government policy. It is an integrated, cohesive part of a positive, dynamic program of action to meet the problem of unemployment, seasonal, technological and chronic.

The increase in the bracket for the low rate of 21 per cent on corporations from $25,000 to $35,000 will provide an immediate spur, a further incentive to expanded economic activity. Since this government came to power in 1957 the low bracket has been enlarged from $20,000 to $35,000, and now 55,000 of the 62,000 corporate taxpayers in Canada pay only the low rate. What more positive evidence of the concern of this government for small business could be cited? What a triumphant fulfilment of the Prime Minister's election commitments to the smaller businesses of this nation, the very great bulk of which are wholly Canadian owned.

When one couples this with the enactment earlier this session of the small business loans legislation, providing government guarantees of bank loans to small business, the enactment last session of the amendments to the Combines Investigation Act, so bitterly fought by the opposition, but which restored to small merchants adequate safeguards against unfair competition, and with the establishment of the small business branch of the Department of Trade and Commerce, the pattern of government policy is crystal clear. This government is the friend, the ally, of the progressive small businessman of Canada. It seeks to have him grow and prosper, providing secure employment and a stable community.

Then the new proposals for double depreciation are of high significance, first in areas of high unemployment and, second, generally across Canada in the development of new products and new processes. The objects are to broaden the base of our industrial output; to assist in the balancing of our productive capacity; to strengthen our secondary industry now in need of a spur to renewed activity, and to assist in what is a major, indeed, the most fundamental, goal of this government—the achievement of a higher degree of processing of our own raw materials here in Canada both for our own market and for export. The government has provided the incentive; the challenge is passed on to industry itself. Here is the opportunity. Here the chance for new ventures, for a pioneering spirit in industrial production.

[Mr. Bell (Carleton).]

These tax and fiscal measures must be examined as part of the program already placed before the house—new assistance to housing, including urban renewal and slum clearance, loans for university residences, loans and write-off for municipal sewerage installations, new aid for vocational training, establishment of a productivity council, a greatly expanded winter works incentive program. These and other measures still to be presented, coupled with the proposals in this budget, constitute the most massive program to combat unemployment ever proposed by a Canadian government and, indeed, by any other government, for most of these proposals are original, one might say indigenous to Canada.

I am not so optimistic as to believe that magic wands have been discovered in this program which when waved will cause the problem to disappear immediately. What I do say is that this government's actions are a sincere, honourable and intelligent grappling with a dislocation, part of which is seasonal, more of which is technological, all of which will respond only to a variety of treatments.

But, if we are to have a balanced development, we must increase the volume of Canadian savings available for Canadian development. To that problem the Minister of Finance has addressed himself in a realistic manner. The great pools of capital today are with the pension funds, the investment companies, the mutuals and the insurance companies. When mated with the legislation forecast in the speech from the throne regarding the investment policies of insurance companies, the proposals in this budget will provide the incentive to these institutional investors to place the bulk of their investment in Canadian enterprises. And so they ought. The trend to diversification of portfolios in foreign markets has not been a healthy one for our economy, and if these companies, which the Minister of Finance aptly styled conduits for individual investment, wish to enjoy the advantages of low tax rates, then they should participate in the fullest measure in channeling Canadian savings to Canadian development. This is not nationalism, it is just plain common sense.

A basic encouragement to individual savings is the proposal to repeal the 4 per cent surtax on investment income from Canadian sources. Canadians can avoid this surtax by investing in the future of Canada. If they want to invest in the future of some other country, let them pay the tax. Canadians must generate more capital within Canada. We need more savings by Canadians, the marshalling of those savings into capital and the wise investment thereof in Canada. Part of

this program of self-reliance is dependent upon our practice of increased efficiency, productivity and thrift. For, as I hope to have the time to mention later, one of our major concerns must be to avoid a price and cost level which will bar us from export markets as well as make foreign goods more competitive in our domestic markets.

This budget, having first sought to provide additional stimulus to Canadian savings, then advances proposals to remove the incentives which attract foreign capital. Personally I was pleased that the Minister of Finance dealt so lucidly and vigorously with those who seem to assert that Canada can get along without foreign investment. At this stage of our development it just is not so, and any attempt to bar the door to foreign investment in Canada would launch us into grave economic difficulties.

In some of the comments, by some queer twist which I do not understand, this budget and, in particular, the proposals relating to withholding taxes and taxes on branches, has been represented as anti-American. How ridiculous can prejudiced assertions become? This budget, like the government, is pro-Canadian. It is not anti-anything. There is nothing, I emphasize, nothing hostile or discriminatory in these proposals. They are moderate. They are rational. They are tailored to today's needs.

Until Canadian savings are sufficient to provide all capital needed for development of our natural resources and of our processing and secondary industries—and that day has not yet arrived—we shall need foreign investment in Canada. Policies antagonistic to foreign capital would be not only shortsighted, they would intensify an unbalanced economy. So long as we manage our financial affairs in a manner commanding confidence abroad we can expect capital from abroad to seek opportunities for profitable investment in Canada. As the Minister of Finance mentioned, it cannot be turned on and off like a tap. Progressively we can strengthen our own capital position and lessen our dependence abroad, and that is one of the objectives of this budget. It is both a long range and a short term measure. Some of the impact has been immediate, as we have seen in our exchange position.

At the outset of these comments on the tax changes, I mentioned that one of the budget objectives was to keep a tight rein on inflationary pressures. It has been a central feature of this government's policy from the outset to contain inflation—and it has been a hard fight. It is not over. Vigilance and sound, flexible budgetary and monetary policies are needed to keep the battle won.

Associated with inflation is the danger of rising costs. As the fifth trading country in the world, with 20 per cent of our production disposed of in external markets, Canada cannot insulate her economy from the rest of the world. By efficiency, by productivity, by every means possible, Canadian producers must keep costs down or pricing ourselves out of world markets will be inevitable. And if that happens we may find we have also priced ourselves out of the domestic market. Every Canadian has a direct and immediate interest in preventing the loss of markets through high costs of production.

These, then, are the objectives, the purposes of this budget. I repeat what I said earlier: the legislative proposals forecast in the speech from the throne—the proposals made in this budget—are a cohesive, integrated program of action and, taken together, constitute the most massive attack upon unemployment, the most massive stimulus to a balanced economy ever launched by a Canadian government.

Now a word about the tariff proposals. Over the last few months a consistent attempt has been made by hon. gentlemen opposite and, in an exaggerated way, by their newspaper supporters in western Canada to misinterpret and malign the trading policy of this government. The universal policy of Liberalism on trade and tariffs has been to play both ends against the middle—and I mean that both literally and figuratively.

What this budget seeks to do is to restore and strengthen the historic position of the "class or kind made in Canada" items, gradually chiselled away in recent years. I hope my hon. friends opposite will not repudiate Sir Wilfrid Laurier and Mr. Fielding under whose aegis the "class or kind made in Canada" principle was first developed. But they have encouraged the Sifton press in western Canada to paint this as high protectionist action. I have some of their ridiculous, prejudiced editorials here. My hon. friends encourage the Sifton press to paint this as a high protectionist action, and this despite the fact that the founder of the Sifton fortunes, Sir Clifford himself, was a member of the Laurier government which introduced the "class or kind made in Canada" concept which is now being restored to its original intention.

Nor do I doubt that my learned historian friend from Bonavista-Twillingate will, at some stage of this debate, seek to repudiate the history of the period 1936-39 when under the guidance of Charles A. Dunning, a one-time professed Saskatchewan free-trader, and of J. Lorimer Ilsley, a Nova Scotia disciple of Fielding, the largest number of "class or kind" items was introduced. It was the later satellites of these earlier and genuine Liberals

who chipped away the benefits that their more statemanlike predecessors had sought to confer.

There is no antagonism to anyone in these proposals, but there is enlightened self-interest; an enlightened self-interest this country pursued for many years. I am not content to have Canadian secondary industry sold down the river by administrative chipping away of the clear intent of parliament expressed under a succession of Liberal and Conservative governments from 1904 to 1950. Well, that is precisely what we have had. Under a halo of self-righteousness my hon. friends opposite will no doubt describe this as high protectionism and repudiate all the great Liberals of yesteryear.

One further word. In accordance with the practice initiated, I think, by the hon. member for Greenwood (Mr. Macdonnell), my friend the hon. member for Kenora-Rainy River proceeded to try to find a name or description allegedly characterizing the budget. How obviously the hon. gentleman strained, how obviously hard put he was, is evident from the unreality of his characterizations. "Executive suite budget," he exclaimed. How ridiculous. This hardly merits a reply for all hon. members know that the tax changes are designed to put men to work now and in the future, to build and develop Canada for Canadians.

This is no executive suite budget. It is a payroll budget. That is what the hon. member should have styled it. It is a national development budget, a jobs for Canadians in Canada budget. It is a genuine Progressive Conservative budget.

With the right hon. gentleman from Prince Albert as Her Majesty's first minister our country has developed and expanded to the highest peak in its history. This budget so brilliantly presented by the Minister of Finance is a further step in the march of progress, ever onward, ever upward, ever more self-reliant.

Mr. McMillan: Mr. Speaker, will the hon. member permit a question?

Mr. Speaker: I am sorry to say that the hon. parliamentary secretary's time has expired.

Mr. Bell (Carleton): I would have been glad to accept one.

(Translation):

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, my hon. friend the parliamentary secretary to the Minister of Finance (Mr. Bell) who just spoke before me, reminded me of a lawyer pleading a hopeless case. To good arguments he substituted eloquence, and it is on that score alone that I congratulate him.

I also thank him for thus affording good publicity to last week's Liberal rally. We had been pleased at the good coverage given to it by the press throughout the country, in addition to the points covered by the press we now have those presented by the hon. parliamentary secretary.

My first words, Mr. Speaker, will be to indicate that I wholeheartedly support the amendment moved by my colleague from Kenora-Rainy River (Mr. Benidickson). It seems that, under the present government, the problems of unemployment and deficits are inevitable in Canadian life. This is so true that apparently the government failed to give adequate attention to the estimates and prospects of the economic development in Canada during 1960, since the estimated $12 million surplus forecast by the Minister of Finance will become, according to the new estimates of the minister, a deficit of approximately $300 million.

In his budget speech of March 31, 1960, the minister stated his belief that the unemployment problem would soon improve. He will have to admit that, again on that point, he was quite wrong.

As for the C.C.F. party, the hon. member for Burnaby-Coquitlam claims that it is wrong for us, Liberals, to draw the attention of the people to the errors of the Minister of Finance in his estimates for 1960. He even goes so far as to agree that the Minister of Finance might have been mistaken or ill-advised. The same hon. member states that the statements made by the Liberals amounted to mere weeping and wailing and yet we find that in the speech he made in this house on December 21, he said that the budget speech of the Minister of Finance is meant for businessmen and offers concessions to corporations and capitalists, but not to widows and orphans.

He also states that people in Canada and in other parts of the world no longer consider the government able to deal with national affairs.

He also says that the average citizen is even more disgusted with the government's failure to act. According to him, there is no reference in the budget speech to the development of domestic and foreign markets for Canadian products.

Further on, he says that he is very concerned over the future of GATT, if present ideas are going to prevail and if the government does not do anything about interest rates.

C.C.F. members weep and wail, but it seems to me they claim to have a monopoly on ability. This I do not concede; I would rather support the Liberal amendment, an amendment introduced by people who, at least, know about the responsibility of administering the country. The previous Liberal government has already done something positive about the major current problem in this country. After the last war, the government was faced with a similar situation, but there was no unemployment, because under the direction of able administrators, more concerned about the welfare of the people than about politics, solutions were presented in advance of the problems.

The government of the time had to find jobs for an increasing number of Canadians, since the population was growing rapidly and wartime production had come to an end.

That wise and experienced government created thousands of jobs each year and provided work for the ever-increasing number of workers, that is to say for those who were working in war plants, as well as for our soldiers discharged from the armed forces.

That solution was brought about by the creation of new industries, and by giving them the means of necessary expansion in order to provide more jobs for our people, by means of an outstandingly wise external economic policy which allowed us to export our surplus production.

Today, unemployment is our number one problem. Never since the great depression of the thirties has it been so serious. That should not be the case but, since 1957, the matter of full employment has not received the attention it deserved.

This government has proved unable to solve the problem, and its actions are not in keeping with the requirements of that emergency. And yet, unemployment is a reality.

Between October 1959 and October 1960 the number of unemployed in Canada has increased by 117,000. It seems to me these figures are thought-provoking; even if the number of those employed has increased by 92,000, there is still a shortage of 25,000 jobs.

What makes this situation even more complicated is the fact that the unemployment insurance fund has dwindled alarmingly. While unemployment is higher, the unemployment insurance fund is fast dwindling; obviously, those two factors are inter-related, the first one necessarily affecting the second.

It is even said that if things keep going as they are now, by May 31 next, the unemployment insurance fund will go down to an all-time low of $85 million.

The situation is most serious and requires drastic remedies.

The extent of the evil now prevailing can easily be grasped if we recall, for instance, that on May 31, 1957, the fund amounted to $878 million.

The present situation is naturally related to the constant increase in the number of unemployed, which will reach unprecedented levels this winter.

This whole unfortunate situation may be explained by a slow down of the national economy. Consequently it is imperative that steps be taken to produce immediate results, since the report submitted by the committee and tabled in the house, on the day of the adjournment, also considers that after March, when the present fiscal year comes to an end, expenses will exceed revenues, on account of the numerous insurance benefits that will be paid in April and May; that is why it is estimated that by May 31, 1961, only $85 million will remain in the fund.

Faced with the government's inaction, we, on this side of the house, had foreseen the situation which was outlined in the report submitted to the house at the time parliament adjourned for the Christmas holidays, but no more discussion was then possible.

The Minister of Labour (Mr. Starr), has played exactly the same trick on parliament when he tabled a report almost as alarming, from the same committee, on the last day of the session, last August.

Does the government wish to avoid a debate on unemployment in the house and, at the same time, prevent that report from being circulated among the public so that people may not fully realize the seriousness of the situation?

If this were the case, it would show that the government is not shouldering its responsibilities, and is afraid to show the situation as it is, after failing to consider it for the last two years.

The government has no right to play this game, while there are now more than half a million suffering unemployed, in spite of the statement made by the Prime Minister (Mr. Diefenbaker), to the effect that no Canadian would suffer from unemployment as long as he would be Prime Minister.

It is true, however, that in the speech from the throne of this session, which was written by this government, the existence of unemployment, has at last been recognized but it was late in the day, and the government must bear the responsibility for unemployment, as it waited too long before considering it a serious issue. As a matter of fact, the legislation passed in the first part of this

session will in no way immediately remedy the anxiety and suffering which affect more than half a million of our fellow citizens.

The creation of a productivity council, which was moved by the Minister of Trade and Commerce (Mr. Hees), is an excellent thing; it is even a necessity under the present circumstances. But there is no reason to believe that an increase in productivity will automatically eliminate unemployment. On the contrary, because, in itself, increased productivity might entail an immediate increase in the number of unemployed, for greater productivity means greater production without additional effort, or even greater production, with less work or equal production with fewer working hours.

Now, an increase in production is, in itself, beneficial. Thanks to such increase we may experience a higher standard of living, ever-increasing comfort, better health, better education, more culture and more leisure but, only on condition that we organize our economic and social life so that productivity serve the general interest, instead of throwing workers into unemployment and subsequent misery.

We must increase national productivity so as to be more able to compete on the world market, and we have to admit the progress of automation, but in the immediate context, this legislation will only bear fruit over several years.

The government chose to bring up another solution to the unemployment problem, which, to my mind, will not have any immediate impact on the employment situation in this country.

The changes to the National Housing Act are excellent and they will promote construction of additional housing, while stimulating Canadian economy to some extent, without, however, solving the problems of unemployment or of economic recession.

There is no doubt that by raising the loan percentage from 90 to 95 per cent of the estimated loan value, a greater number of people will be able to own their own homes, as a lesser down payment is needed to buy or build a house.

The extension of the reimbursement period is another improvement as it will distribute payments over a greater number of years.

However, when reading some items in the press we must admit that there is no cause for exaggerated optimism with regard to building activities in 1961. Can we, indeed ask an unemployed man, who is the head of a family, to build a home at a time when his life is so lacking in security?

[Mr. Racine.]

Even with this belated legislation, there is nothing which would justify the hope of a business revival before the summer of 1961, and unfortunately there again we cannot foresee any improvement over 1960.

The number of jobless who are now placed on equal footing with the seasonal unemployed will therefore not substantially decrease, and unemployment will remain the principal problem to be solved in this country, despite those belated pieces of legislation which will not have any immediate effect.

I read in a newspaper that, as a result, it is feared that the government may take drastic steps to replenish the unemployment insurance fund. Up to now, the government has taken no such step to replenish the fund, but I must admit, as do many workers, that the government did take drastic steps to maintain it.

On September 27, 1960, the commission published a circular letter entitled: "Insurance circular"—"Insurability". It was circular number 13, Mr. Speaker, an unlucky number for the workers, and one that will be irrevocably fatal to the government when it will have the courage to call an election.

This circular letter contains a new definition of the service contract, and will have disastrous results:

1. It will eliminate almost all cases of insurability in casual and seasonal jobs.

2. In the past, unemployment insurance offices decided on the insurability of a job, while today they have to decide whether there is a service contract or not.

3. Employers do not like this procedure, as regards the supervision to be exercised on certain projects, like the construction of private houses, woodcutting, etc.

4. Also displeased are the employees, particularly the hourly paid labourers in private housing construction. This is an encroachment upon their rights and they are placed at a disadvantage as compared to those who work for contractors. As a result they will refuse to work for an individual because he will not be able to give them unemployment insurance protection.

5. This new decision will be a serious handicap to the winter work campaigns, because workers will not be interested in taking uninsurable jobs with individuals for the construction and repair of private houses.

6. Certain employees are being refused unemployment insurance benefits even if they have paid the required contributions.

7. Workers who expected to receive benefits after paying contributions have their stamps cancelled by the unemployment insurance offices; they have to go back home empty-handed and tell their wife and children this sad news which places them in a hopeless situation. This is another doing of the Conservatives who cannot find any remedy to unemployment but who devised this backward method of saving the unemployment insurance fund.

By means of that circular, the unemployment insurance offices are seeking to ascertain whether or not there is a service contract, and to this end, they ask such silly questions as this, for instance:

Who has set the worker's salary? It is well known that when a worker is hired, the salary is set by agreement between both parties.

Here is another question. Why did you hire him? Have you ever heard of someone being hired when he is not needed?

The employer is also asked: What knowledge did you have of the type of work he performed for you? What a question. Do you have to be a carpenter to hire a carpenter?

The following is also asked: Did you remain on the premises while the work was being done? This means that from now on, an individual who is having some repair work done on his home, if he works in an office, for instance, will have to stay away from his job and remain on the premises to meet one of the requirements of the service contract.

Then there is this question: Are you employed yourself? This question is as silly as the previous ones.

One is left with the clear impression that unemployment insurance officials are instructed to supply as little information as possible, to keep benefit payments at a minimum.

In the new definition of a service contract, it is mentioned, among other things, that it is essential that the employer be on the premises when the work is done.

It is also mentioned that no service contract can be involved if the employer is less qualified than the worker himself.

Now, according to this new circular from the commission, in order to have a service contract, a garage owner has to be a mechanic himself if he hires a mechanic. How ridiculous can you get.

This matter should be reviewed without delay and important construction, repair and alteration jobs should be covered as they were on September 27 when this circular was issued.

Apparently, it was not enough to have those new instructions take effect on the date of the circular; they went a step farther and made them retroactive. That is why so many workers are being deprived of contributions paid before September 27, with the result that they are not eligible for benefits. A shabby performance indeed, particularly on the part of a government which has been indirectly responsible for the unemployment situation, through its refusal to recognize it and to take appropriate action to correct such an inexcusable state of affairs.

In order to fight our unemployment situation, the government should have increased the money supply and lowered the interest rate.

The personal income tax should have been lowered in order to leave the taxpayers greater purchasing power.

Considering the number of unemployed, the necessary measures should have been taken by the government to reduce the deficit in our trade balance.

We in Canada are like a young man with great expectations who one day would inherit from his parent several properties. He would then think himself a rich man and go about spending more than he collects in rents. And so, at the end of the year, in order to balance his budget, he would have to sell several properties. At that rate, the father's fortune would obviously not last very long.

Mr. Speaker, may I call it six o'clock?

(Text):

At six o'clock the house took recess.

AFTER RECESS

At 8 p.m. the house resumed.

(Translation):

Mr. Racine: Mr. Chairman, I should like to go on dealing very briefly with the problems I was discussing before six o'clock.

As we all know, foreign investments in this country have been rising steadily over the last few years, and this has provided us with the dollars needed to foot the bill. We are somewhat in the position of an heir.

Of course, I am not referring here to investments in the development of our natural resources, but to the process of downright and systematic control over our industries and businesses which has been going on, in fact, for two or three generations.

Canada's trade deficit runs to a billion dollars a year, and this cannot go on forever.

If the government were willing to grant tax concessions to any Canadians who, over a certain period of time, would undertake to set up an industry or factory to produce goods that are not now made in Canada and which have to be imported, I feel we would see new industries being established and thus achieve a dual object, namely reduce the trade imbalance and provide jobs for the unemployed. But we would have to go much further than is provided for in this budget.

In 1959, Canadian imports amounted to $244 per capita; this means that we import six times more per capita than the Americans. This points up the need to set up new industries in Canada.

We learned two things in the last two days before the Christmas recess: both the federal treasury and the unemployment insurance fund are depleted.

I should not want to conclude my remarks without saying a few words on a matter which has been and is still making headlines. I wish to speak objectively on question No. 10 on the census forms.

It will be recalled that this mention was introduced in the census questionnaire by an order in council dated February 8, 1960 and that we were informed of it on the 11th of February, that is three days later.

Notwithstanding the statement made by the Secretary of State (Mr. Dorion) to the effect that instructions will be given to the enumerators that will tend to lessen the importance of this item, this opinion is not shared by the associations which submitted a memorandum to the minister of trade (Mr. Hees) on December 19, last. On January 5, officials of the dominion bureau of statistics stated before the special committee on associations that only the cabinet could settle this problem. So, it is the cabinet that will be held fully responsible if this question goes unsolved.

According to the associations which made representations, the mention "Canadian" concerning the origin is bound to falsify the census and I agree entirely with them.

During the last national census, in 1951, enumerators were allowed to accept "the Canadian origin", but the words themselves did not appear in the list.

However, for the 1961 census, greater importance is given this origin by the fact that it is placed at the top of the list. This is possibly a cause of confusion.

[Mr. Racine.]

On the 7th of January, the newspaper *Le Soleil* published statements from some Conservative members to the effect that the matter would have to be settled. Certainly a correction is called for.

I feel that in this case a dispute has been brought about by the government and it causes a problem. For the sake of a census question, the government does not hesitate to endanger the relations between Canadians of different cultures.

It is important that each ethnic group know where citizens belonging to the group are located.

In October, a Canadian trade delegation visited the countries of the European community. If we look at the official list of the 11 members of that delegation, we find that only one of them is French Canadian. This is not the first time French Canadians have been treated in such a way by the Department of Trade and Commerce, even though that department is one which would need most to be aware of the origin of Canadian citizens, in order that such delegations be truly representative.

As reported in the newspaper *Le Soleil* of January 7, 1961, the hon. member for Chicoutimi (Mr. Brassard) said he was under the impression that the Minister of Trade and Commerce was refusing to consider changing the question on racial origin for the simple reason that he himself had been unfairly treated by some associations.

I hope the solution of this matter will not depend on the minister's outbursts of temper, but that justice will be rendered to all.

(Text):

On behalf of the official opposition, Mr. Speaker, I wish before closing to say a word about our attitude to the C.C.F. subamendment which is now before us.

The C.C.F. subamendment contains as illustrations of the Liberal amendment three specific recommendations from the policy statement on unemployment of the national Liberal rally almost in the precise language of that policy statement. It has been said that imitation is the sincerest form of flattery and we in the Liberal party are naturally pleased—

Mr. Winch: We drafted that subamendment five weeks ago.

Mr. Racine:—to support our own policies even when they are put forward in a C.C.F. subamendment.

Mr. J. F. Browne (Vancouver-Kingsway): I am pleased, Mr. Speaker, to have the opportunity this evening to say a few words in support of the supplementary budget which has been brought down by the Minister of

Finance (Mr. Fleming). It, of course, ties in closely with the comprehensive and continuing program that the government has been pursuing in order to deal with the problems of this country. In my opinion it will do a great deal to stimulate economic activity in this country, to encourage Canadians to invest in Canada and to bring as much ownership and control as possible of Canadian industry into the hands of Canadians. It will also do a great deal to increase our export trade and to create greater opportunities for employment in this country.

The parliamentary secretary to the Minister of Finance (Mr. Bell) this afternoon went into great detail in outlining the direct benefits from the budget and it is not my intention to repeat them at this time but rather to deal with the individual items in the light of the criticism that the opposition has made of the budget. First of all, we have had the usual kind of attack that we have come to know so well in the house, a policy which apparently started some time ago when it was first brought out by that bright young Liberal Mr. Templeton who told us on television that he hoped the forecasts of some economists were correct that there would be a recession in Canada because that eventuality offered the best hope of returning the Liberal party to power. Since that time the Liberal opposition in this house have pursued a policy of trying to strike fear into the hearts of Canadians, preaching their doom, gloom and destruction.

The hon. member for Kenora-Rainy River (Mr. Benidickson) when he started his criticism of the budget, said this kind of talk did not amount to much, it did not have any effect on the country at all. Then he went on to disprove that statement, because very shortly after he had said that it had no effect whatsoever on the country he went on to quote from the *Financial Post*, which had this comment to make at page 1037 of *Hansard:*

> In a sharp break with all previous Canadian experience in the post-war years, consumers pulled back their spending during the first quarter"—

That is, the first quarter of 1960. Mr. Speaker, I do not know whether that is entirely accurate. Actually consumer spending was up very slightly in the first quarter of 1960, but it was curtailed when we compare it with the income that labour had. During this period labour income was at an all-time high. More Canadians were working than had ever worked in this country before, and certainly there was no reason why consumer spending should have been curtailed.

I would like to suggest to the house that it is the kind of fear that is being spread by the Liberal party in this country that has brought that about. I am sure the hon. member for Essex East (Mr. Martin) will appreciate what I am speaking about when I say that a Canadian who is earning more than he ever earned before and who is working just as hard as he has ever worked before will say, "Well, the Liberal party is telling us that things are not quite as good and I am to be out of a job; I will not buy a new car this year". That kind of thing will not help this country very much. I am very glad to see that it is now being taken up throughout the country and is being recognized for what it is, because once it is recognized for what it is, this preaching of doom and gloom, we will have nothing further to fear from it.

I would now like to read what the Canadian Manufacturers' Association has had to say on this very subject in their publication *Industry* for January, 1961. After pointing out, as I have already said, that the year was a good and prosperous one for all Canadians and individual earnings and savings were never higher, this publication goes on to say this:

> The cause of those without jobs is not helped, for example, when an impression of an economy collapsing into blue ruin is created both at home and abroad. Such far-fetched distortions would be ludicrous if their effects were not so damaging. As it is, the painting of an exaggerated and sombre-hued picture plays a major role in the undermining of public confidence so far as the immediate future is concerned.

I suggest that is exactly the policy the Liberal opposition in this house has been pursuing. They direct a barrage of criticism at every measure that is brought forward. They say it does not meet this requirement, or it does not meet that requirement, regardless of whether the measure was designed to meet that specific requirement or not.

To go on with some of the more specific criticisms that have been made, the hon. member for Kenora-Rainy River indicated that in his view it was our highly valued dollar that makes our exports non-competitive across the world. Here, again, was a negative attitude. There is no doubt that we have to be concerned with our production costs, and of course the government has been concerned with that matter and has set up a national productivity council. At the same time I think it must be remembered, when discussing exports in this country, that they too are at an all-time high. In 1960 they were 6.4 per cent higher than the previous year. Our trade deficit on commodity trade was considerably lower than it has been for several years, $116 million in 1960 compared with $412 million in 1959, with a record deficit of $731 million in 1956, the last year that we had a Liberal government.

It also shows that he was completely unable to analyse the probable effects of the budget on the economy and on the country, because there is little doubt that although the government does not set the external price of the dollar, budgets do have a good deal of effect on it. After the budget of last March the premium on the Canadian dollar declined from five cents to a little over two cents. The supplementary budget has been followed by a further reduction in the dollar so that it is trading almost on a par with the United States dollar at the present time.

Therefore when we consider the trade position of this country as I have outlined it, that it was at an all-time high, and when we relate that to the fact that we have now taken action which has resulted in the reduction of the premium on the Canadian dollar, which will undoubtedly make it easier for our exporters in world markets; when we consider that the government has set up the national productivity council to make sure we are as efficient as possible in our production; when we consider that the government has taken action to make better financing arrangements for export credits, which were not available before, certainly any criticism of our policy in that regard could be nothing but misguided criticism and not in the best interests of this country.

The hon. member for Kenora-Rainy River went on to indicate that he was not too favourable to the deficit that we had. However, he did not make any criticism of the particular things that were outlined by the Minister of Finance that had brought it about. Nor did he suggest any cutting of expenditures. In fact, his colleagues in the Liberal party, or the liberally-minded persons, or whoever they were who were meeting in Ottawa, went on to suggest that we spend a further billion dollars, not only without raising revenues, but by cutting them. They were going to reduce taxes as well as spend another $1 billion. Therefore any criticism about the deficit would certainly have to have better substantiation than the action or policy they were advocating.

The well-known Winnipeg *Free Press*—and I do not think there is a more staunch supporter of the Liberal party in this country than that publication—did not seem very impressed by this great policy-making body of the Liberal party. However, it went on to say:

> The fundamental problem facing Canada today so transcends all others as to make any talk of further social reforms and higher governmental expenditures at the present time not only impractical but utterly dishonest.

[Mr. Browne (Vancouver-Kingsway).]

I would not go so far as to say the party was utterly dishonest, but certainly they have been advocating higher expenditures and they have been advocating lower taxes, and at the same time criticizing the financial position we are in at the present time.

I think one of the most surprising criticisms that the hon. member for Kenora-Rainy River made was bleating about the little man. He said, "People are paying more taxes than they used to pay". It is surprising to me that he found it necessary to go through such a complicated procedure to try and convince the average person in this country that he was paying higher taxes and that he was suffering under this government, because I believe that the hon. member for Kenora-Rainy River represents a riding very similar to my own. It may be described as a labour riding. I would think most of the people in that riding are working people who are working for wages. When they go to discover what taxes they are paying—and I have pointed this out to the house before—they usually look at the income tax form, which has the rates of tax and a table of taxes. They look there to determine what they are going to pay. They do not have to take the gross national product of the country, and they do not have to take the number of inhabitants and go into some complicated financial dealings to try and determine what they are going to pay.

In order that this can be cleared up once and for all, may I say that 85 per cent of Canadians are paying lower taxes today than they were when the Liberal party was in office, notwithstanding the fact that a great deal more money is being paid to the provinces than was the case in their regime. Also, this is notwithstanding the fact that social benefit welfare payments have increased by over 50 per cent and that we have extended the basic income tax exemptions.

Mr. Martin (Essex East): Where did you get that figure of 50 per cent?

Mr. Browne (Vancouver-Kingsway): We have also reduced the sales tax on a wide range of municipal purchases. We have reduced the automobile excise tax.

Mr. Martin (Essex East): When?

Mr. Browne (Vancouver-Kingsway): I could go on and indicate other tax concessions that have been made, but I should like to ask the permission of the house to have the 1956 and 1959 tax tables and rates of tax printed in *Hansard*. I ask permission for this to be done in order that the public will be able to make a proper comparison and determine for themselves that taxes are lower now for the average Canadian than they were when the Liberal party was in office.

The Deputy Speaker: Is the house agreed that the hon. member should have leave to have these tables printed in *Hansard*?

Some hon. Members: Agreed.

Mr. Martin (Essex East): We shall have to examine them carefully first.

Mr. Browne (Vancouver-Kingsway): The public will be able to examine them. They will not have to go by the kind of nonsense the Liberal party has been spouting around here. They will not be the kind of statistics they are used to getting from the hon. member for Essex East. They will be authentic for a change.

[*Editor's note: Tables referred to appear on pages 1090 and 1091.*]

Mr. Browne (Vancouver-Kingsway): I should also like to point out some of the increases which have been made in the payments to the provinces. In 1957-58, the total of unconditional payments to the provinces amounted to $382.6 million. For the current fiscal year this amount has increased to $543.3 million. Three years ago the federal government increased the provincial share of the yield from the personal income tax from 10 to 13 per cent. This 3 per cent increase has been maintained this year and given statutory enactment for the remaining period of the present tax-sharing agreements which ends March 31, 1962. The effect of this increase amounted to payments to the provinces of $56 million in 1958-59, $67 milion in 1959-60 and an estimated $68.3 million in the current fiscal year.

At the same time the federal government has substantially enlarged its conditional payments to the provinces in connection with shared cost programs. These have risen from a total of $144.8 million in 1957-58 to an estimated $388.9 million in the current fiscal year.

I notice that the Leader of the Opposition (Mr. Pearson) has been making a few statements during the recess and at the Liberal rally which was held so recently. He has had something to say about anti-Americanism. I suppose that any kind of action which would tend to take ownership and control of Canadian industry out of United States hands and bring it into the hands of Canadians might possibly be construed as anti-Americanism though I think it would take a considerable stretch of the imagination to place that interpretation on it. I think it would be more logical to say that the policies advocated by the Leader of the Opposition were pro-American or, perhaps, anti-Canadian, looking on it in that light.

Of course, the record of the Liberal party in this regard is clear. The Leader of the Opposition is quoted in the Vancouver *Sun* of Tuesday, January 10 as making the following statement—surely the most incredible statement ever made by a leader of a political party, because it is a damning indictment of his own party during the 22 years it was in office:

> He (Mr. Pearson) also said that if Canadians have allowed American domination of their development and culture it was because they didn't care enough to do anything effective about it, or even because they wanted it that way.

Perhaps the Liberal party wanted it that way during the two years they were in office, but I am pleased to see the present government taking the kind of action it is taking at this time to encourage Canadian control of Canadian industry because I think this is one of the main reasons why the Liberal party was thrown out of office and one of the things which was so heartily endorsed when this government was elected.

It is most encouraging to see this action being taken at the present time. I do not know whether these are the kind of policies to which the Liberal party wishes to return or whether they are the kind of policies the Leader of the Opposition had in mind when he suggested they would like to have an early election. We can, of course, recall an occasion when he asked for an early election once before and he found the public of this country were not very favourable toward the kind of policies he was advocating at that time. However, the hon. gentleman seems to have changed his views somewhat, because the Liberal party when in office stood idly by and watched control of our natural resources and industry slip into the hands of other countries while doing little or nothing about it.

Now, apparently the Leader of the Opposition seems to think that if we are to continue to let things go in that way we should have some payment for it. He now suggests we should shirk our responsibility in the defence of this continent and charge the United States with that responsibility. I suppose he feels that under Liberal policy they would have control of the entire country so they might as well defend it. I can only say, that I do not think these are very wise policies on which to fight an election and, speaking for myself, any time the hon. gentleman wishes to go to the country on those policies I will be happy to be there to contest them with him.

Mr. W. H. McMillan (Welland): On December 20, the Minister of Finance (Mr. Fleming) when presenting his baby budget said:

> In previous budget speeches and on other occasions I have recognized the need for flexibility in our economic policies... Not only must policies

TABLE AND RATES OF TAX

Your OLD AGE SECURITY TAX is 2% of taxable income, maximum $60.

IF TAXABLE INCOME is $3,000 or less you may use the TAX TABLE.

1956 TAX TABLE—Including Old Age Security Tax

Taxable Income Over	Not Over	Total Tax $	Taxable Income Over	Not Over	Total Tax $	Taxable Income Over	Not Over	Total Tax $	Taxable Income Over	Not Over	Total Tax $	Taxable Income Over	Not Over	Total Tax $
0	10	1	600	610	91	1200	1210	185	1800	1810	287	2400	2410	397
10	20	2	610	620	92	1210	1220	187	1810	1820	289	2410	2420	399
20	30	4	620	630	94	1220	1230	188	1820	1830	290	2420	2430	401
30	40	5	630	640	95	1230	1240	190	1830	1840	292	2430	2440	403
40	50	7	640	650	97	1240	1250	192	1840	1850	294	2440	2450	405
50	60	8	650	660	98	1250	1260	193	1850	1860	295	2450	2460	406
60	70	10	660	670	100	1260	1270	195	1860	1870	297	2460	2470	408
70	80	11	670	680	101	1270	1280	197	1870	1880	299	2470	2480	410
80	90	13	680	690	103	1280	1290	198	1880	1890	300	2480	2490	412
90	100	14	690	700	104	1290	1300	200	1890	1900	302	2490	2500	414
100	110	16	700	710	106	1300	1310	202	1900	1910	304	2500	2510	416
110	120	17	710	720	107	1310	1320	204	1910	1920	306	2510	2520	418
120	130	19	720	730	109	1320	1330	205	1920	1930	307	2520	2530	420
130	140	20	730	740	110	1330	1340	207	1930	1940	309	2530	2540	422
140	150	22	740	750	112	1340	1350	209	1940	1950	311	2540	2550	424
150	160	23	750	760	113	1350	1360	210	1950	1960	312	2550	2560	425
160	170	25	760	770	115	1360	1370	212	1960	1970	314	2560	2570	427
170	180	26	770	780	116	1370	1380	214	1970	1980	316	2570	2580	429
180	190	28	780	790	118	1380	1390	215	1980	1990	317	2580	2590	431
190	200	29	790	800	119	1390	1400	217	1990	2000	319	2590	2600	433
200	210	31	800	810	121	1400	1410	219	2000	2010	321	2600	2610	435
210	220	32	810	820	122	1410	1420	221	2010	2020	323	2610	2620	437
220	230	34	820	830	124	1420	1430	222	2020	2030	325	2620	2630	439
230	240	35	830	840	125	1430	1440	224	2030	2040	327	2630	2640	441
240	250	37	840	850	127	1440	1450	226	2040	2050	329	2640	2650	443
250	260	38	850	860	128	1450	1460	227	2050	2060	330	2650	2660	444
260	270	40	860	870	130	1460	1470	229	2060	2070	332	2660	2670	446
270	280	41	870	880	131	1470	1480	231	2070	2080	334	2670	2680	448
280	290	43	880	890	133	1480	1490	232	2080	2090	336	2680	2690	450
290	300	44	890	900	134	1490	1500	234	2090	2100	338	2690	2700	452
300	310	46	900	910	136	1500	1510	236	2100	2110	340	2700	2710	454
310	320	47	910	920	137	1510	1520	238	2110	2120	342	2710	2720	456
320	330	49	920	930	139	1520	1530	239	2120	2130	344	2720	2730	458
330	340	50	930	940	140	1530	1540	241	2130	2140	346	2730	2740	460
340	350	52	940	950	142	1540	1550	243	2140	2150	348	2740	2750	462
350	360	53	950	960	143	1550	1560	244	2150	2160	349	2750	2760	463
360	370	55	960	970	145	1560	1570	246	2160	2170	351	2760	2770	465
370	380	56	970	980	146	1570	1580	248	2170	2180	353	2770	2780	467
380	390	58	980	990	148	1580	1590	249	2180	2190	355	2780	2790	469
390	400	59	990	1000	149	1590	1600	251	2190	2200	357	2790	2800	471
400	410	61	1000	1010	151	1600	1610	253	2200	2210	359	2800	2810	473
410	420	62	1010	1020	153	1610	1620	255	2210	2220	361	2810	2820	475
420	430	64	1020	1030	154	1620	1630	256	2220	2230	363	2820	2830	477
430	440	65	1030	1040	156	1630	1640	258	2230	2240	365	2830	2840	479
440	450	67	1040	1050	158	1640	1650	260	2240	2250	367	2840	2850	481
450	460	68	1050	1060	159	1650	1660	261	2250	2260	368	2850	2860	482
460	470	70	1060	1070	161	1660	1670	263	2260	2270	370	2860	2870	484
470	480	71	1070	1080	163	1670	1680	265	2270	2280	372	2870	2880	486
480	490	73	1080	1090	164	1680	1690	266	2280	2290	374	2880	2890	488
490	500	74	1090	1100	166	1690	1700	268	2290	2300	376	2890	2900	490
500	510	76	1100	1110	168	1700	1710	270	2300	2310	378	2900	2910	492
510	520	77	1110	1120	170	1710	1720	272	2310	2320	380	2910	2920	494
520	530	79	1120	1130	171	1720	1730	273	2320	2330	382	2920	2930	496
530	540	80	1130	1140	173	1730	1740	275	2330	2340	384	2930	2940	498
540	550	82	1140	1150	175	1740	1750	277	2340	2350	386	2940	2950	500
550	560	83	1150	1160	176	1750	1760	278	2350	2360	387	2950	2960	501
560	570	85	1160	1170	178	1760	1770	280	2360	2370	389	2960	2970	503
570	580	86	1170	1180	180	1770	1780	282	2370	2380	391	2970	2980	505
580	590	88	1180	1190	181	1780	1790	283	2380	2390	393	2980	2990	507
590	600	89	1190	1200	183	1790	1800	285	2390	2400	395	2990	3000	509

IF TAXABLE INCOME exceeds $3,000 you must use the RATES OF TAX

1956 RATES OF TAX—Including Old Age Security Tax

Taxable Income	Tax		Taxable Income	Tax	
$1,000 or less	15%		$15,000	$3,920 + 43% on next	$10,000
1,000	$150 + 17% on ext	$1,000	25,000	8,220 + 48% on next	15,000
2,000	320 + 19% on next	1,000	40,000	15,420 + 53% on next	20,000
3,000†	510 + 17% on next	1,000	60,000	26,020 + 58% on next	30,000
4,000	680 + 20% on next	2,000	90,000	43,420 + 63% on next	35,000
6,000	1,080 + 24% on next	2,000	125,000	65,470 + 68% on next	100,000
8,000	1,560 + 28% on next	2,000	225,000	133,470 + 73% on next	175,000
10,000	2,120 + 33% on next	2,000	400,000	261,220 + 78% on remainder	
12,000	2,780 + 38% on next	3,000			

† The maximum Old Age Security Tax of $60 is reached at this point.

TABLE AND RATES OF TAX

INCLUDING OLD AGE SECURITY TAX—2.5% OF TAXABLE INCOME, MAXIMUM $75

IF TAXABLE INCOME is $3,000 or less you may use the TAX TABLE

1959 TAX TABLE—Including Old Age Security Tax

Taxable Income Not Over	Over	Tax $	Taxable Income Not Over	Over	Tax $	Taxable Income Not Over	Over	Tax $	Taxable Income Not Over	Over	Tax $	Taxable Income Not Over	Over	Tax $
0 - 10		*1*	600 - 610		*82*	1200 - 1210		*169*	1800 - 1810		*268*	2400 - 2410		*379*
10 - 20		*2*	610 - 620		*83*	1210 - 1220		*170*	1810 - 1820		*269*	2410 - 2420		*381*
20 - 30		*3*	620 - 630		*84*	1220 - 1230		*172*	1820 - 1830		*271*	2420 - 2430		*383*
30 - 40		*5*	630 - 640		*86*	1230 - 1240		*174*	1830 - 1840		*273*	2430 - 2440		*385*
40 - 50		*6*	640 - 650		*87*	1240 - 1250		*175*	1840 - 1850		*274*	2440 - 2450		*387*
50 - 60		*7*	650 - 660		*88*	1250 - 1260		*177*	1850 - 1860		*276*	2450 - 2460		*389*
60 - 70		*9*	660 - 670		*90*	1260 - 1270		*179*	1860 - 1870		*278*	2460 - 2470		*391*
70 - 80		*10*	670 - 680		*91*	1270 - 1280		*180*	1870 - 1880		*279*	2470 - 2480		*393*
80 - 90		*11*	680 - 690		*92*	1280 - 1290		*182*	1880 - 1890		*281*	2480 - 2490		*395*
90 - 100		*13*	690 - 700		*94*	1290 - 1300		*184*	1890 - 1900		*283*	2490 - 2500		*397*
100 - 110		*14*	700 - 710		*95*	1300 - 1310		*185*	1900 - 1910		*284*	2500 - 2510		*398*
110 - 120		*16*	710 - 720		*97*	1310 - 1320		*187*	1910 - 1920		*286*	2510 - 2520		*400*
120 - 130		*17*	720 - 730		*98*	1320 - 1330		*189*	1920 - 1930		*288*	2520 - 2530		*402*
130 - 140		*18*	730 - 740		*99*	1330 - 1340		*190*	1930 - 1940		*289*	2530 - 2540		*404*
140 - 150		*20*	740 - 750		*101*	1340 - 1350		*192*	1940 - 1950		*291*	2540 - 2550		*406*
150 - 160		*21*	750 - 760		*102*	1350 - 1360		*194*	1950 - 1960		*293*	2550 - 2560		*408*
160 - 170		*22*	760 - 770		*103*	1360 - 1370		*195*	1960 - 1970		*294*	2560 - 2570		*410*
170 - 180		*24*	770 - 780		*105*	1370 - 1380		*197*	1970 - 1980		*296*	2570 - 2580		*412*
180 - 190		*25*	780 - 790		*106*	1380 - 1390		*199*	1980 - 1990		*298*	2580 - 2590		*414*
190 - 200		*26*	790 - 800		*107*	1390 - 1400		*200*	1990 - 2000		*299*	2590 - 2600		*416*
200 - 210		*28*	800 - 810		*109*	1400 - 1410		*202*	2000 - 2010		*301*	2600 - 2610		*418*
210 - 220		*29*	810 - 820		*110*	1410 - 1420		*203*	2010 - 2020		*303*	2610 - 2620		*420*
220 - 230		*30*	820 - 830		*111*	1420 - 1430		*205*	2020 - 2030		*305*	2620 - 2630		*422*
230 - 240		*32*	830 - 840		*113*	1430 - 1440		*207*	2030 - 2040		*307*	2630 - 2640		*424*
240 - 250		*33*	840 - 850		*114*	1440 - 1450		*208*	2040 - 2050		*309*	2640 - 2650		*426*
250 - 260		*34*	850 - 860		*115*	1450 - 1460		*210*	2050 - 2060		*311*	2650 - 2660		*428*
260 - 270		*36*	860 - 870		*117*	1460 - 1470		*212*	2060 - 2070		*313*	2660 - 2670		*430*
270 - 280		*37*	870 - 880		*118*	1470 - 1480		*213*	2070 - 2080		*315*	2670 - 2680		*432*
280 - 290		*38*	880 - 890		*119*	1480 - 1490		*215*	2080 - 2090		*317*	2680 - 2690		*434*
290 - 300		*40*	890 - 900		*121*	1490 - 1500		*217*	2090 - 2100		*319*	2690 - 2700		*436*
300 - 310		*41*	900 - 910		*122*	1500 - 1510		*218*	2100 - 2110		*320*	2700 - 2710		*437*
310 - 320		*43*	910 - 920		*124*	1510 - 1520		*220*	2110 - 2120		*322*	2710 - 2720		*439*
320 - 330		*44*	920 - 930		*125*	1520 - 1530		*222*	2120 - 2130		*324*	2720 - 2730		*441*
330 - 340		*45*	930 - 940		*126*	1530 - 1540		*223*	2130 - 2140		*326*	2730 - 2740		*443*
340 - 350		*47*	940 - 950		*128*	1540 - 1550		*225*	2140 - 2150		*328*	2740 - 2750		*445*
350 - 360		*48*	950 - 960		*129*	1550 - 1560		*227*	2150 - 2160		*330*	2750 - 2760		*447*
360 - 370		*49*	960 - 970		*130*	1560 - 1570		*228*	2160 - 2170		*332*	2760 - 2770		*449*
370 - 380		*51*	970 - 980		*132*	1570 - 1580		*230*	2170 - 2180		*334*	2770 - 2780		*451*
380 - 390		*52*	980 - 990		*133*	1580 - 1590		*232*	2180 - 2190		*336*	2780 - 2790		*453*
390 - 400		*53*	990 - 1000		*134*	1590 - 1600		*233*	2190 - 2200		*338*	2790 - 2800		*455*
400 - 410		*55*	1000 - 1010		*136*	1600 - 1610		*235*	2200 - 2210		*340*	2800 - 2810		*457*
410 - 420		*56*	1010 - 1020		*137*	1610 - 1620		*236*	2210 - 2220		*342*	2810 - 2820		*459*
420 - 430		*57*	1020 - 1030		*139*	1620 - 1630		*238*	2220 - 2230		*344*	2820 - 2830		*461*
430 - 440		*59*	1030 - 1040		*141*	1630 - 1640		*240*	2230 - 2240		*346*	2830 - 2840		*463*
440 - 450		*60*	1040 - 1050		*142*	1640 - 1650		*241*	2240 - 2250		*348*	2840 - 2850		*465*
450 - 460		*61*	1050 - 1060		*144*	1650 - 1660		*243*	2250 - 2260		*350*	2850 - 2860		*467*
460 - 470		*63*	1060 - 1070		*146*	1660 - 1670		*245*	2260 - 2270		*352*	2860 - 2870		*469*
470 - 480		*64*	1070 - 1080		*147*	1670 - 1680		*246*	2270 - 2280		*354*	2870 - 2880		*471*
480 - 490		*65*	1080 - 1090		*149*	1680 - 1690		*248*	2280 - 2290		*356*	2880 - 2890		*473*
490 - 500		*67*	1090 - 1100		*151*	1690 - 1700		*250*	2290 - 2300		*358*	2890 - 2900		*475*
500 - 510		*68*	1100 - 1110		*152*	1700 - 1710		*251*	2300 - 2310		*359*	2900 - 2910		*476*
510 - 520		*70*	1110 - 1120		*154*	1710 - 1720		*253*	2310 - 2320		*361*	2910 - 2920		*478*
520 - 530		*71*	1120 - 1130		*156*	1720 - 1730		*255*	2320 - 2330		*363*	2920 - 2930		*480*
530 - 540		*72*	1130 - 1140		*157*	1730 - 1740		*256*	2330 - 2340		*365*	2930 - 2940		*482*
540 - 550		*74*	1140 - 1150		*159*	1740 - 1750		*258*	2340 - 2350		*367*	2940 - 2950		*484*
550 - 560		*75*	1150 - 1160		*161*	1750 - 1760		*260*	2350 - 2360		*369*	2950 - 2960		*486*
560 - 570		*76*	1160 - 1170		*163*	1760 - 1770		*261*	2360 - 2370		*371*	2960 - 2970		*488*
570 - 580		*78*	1170 - 1180		*164*	1770 - 1780		*263*	2370 - 2380		*373*	2970 - 2980		*490*
580 - 590		*79*	1180 - 1190		*166*	1780 - 1790		*265*	2380 - 2390		*375*	2980 - 2990		*492*
590 - 600		*80*	1190 - 1200		*167*	1790 - 1800		*266*	2390 - 2400		*377*	2990 - 3000		*494*

If Taxable Income EXCEEDS $3,000 you must use the RATES OF TAX and must NOT use the Tax Table to calculate ANY PART of your Tax.

1959 RATES OF TAX—Including Old Age Security Tax

Taxable Income	Tax		Taxable Income	Tax	
$1,000 or less	13.5%		$15,000	$4,025 + 44% on next	$10,000
1,000	$135 + 16.5% on next	$1,000	25,000	8,425 + 49% on next	15,000
2,000	300 + 19.5% on next	1,000	40,000	15,775 + 54% on next	20,000
3,000†	495 + 18.0% on next	1,000	60,000	26,575 + 59% on next	30,000
4,000	675 + 21.0% on next	2,000	90,000	44,275 + 64% on next	35,000
6,000	1,095 + 25.0% on next	2,000	125,000	66,675 + 69% on next	100,000
8,000	1,595 + 29.0% on next	2,000	225,000	135,675 + 74% on next	175,000
10,000	2,175 + 34.0% on next	2,000	400,000	265,175 + 79% on remainder	
12,000	2,855 + 39.0% on next	3,000			

† The maximum Old Age Security Tax of $75 is reached at this point.

be flexible from year to year, but there are occasions when it becomes appropriate to reassess the economic outlook and to adjust fiscal policies between the main budget dates. This is such a time.

This is the second occasion on which the Minister of Finance has thought it appropriate to reassess the economic outlook between budget dates. This is the second time he has felt it appropriate to step in, as it were, in midstream. This is the second time he has given a supplementary financial statement. The first time was in December, 1957. He thought then, as he thinks now, that such a time had come.

It might be well to compare these two supplementary statements. It might be well to compare the minister's reassessments on those two different occasions and to observe the results produced or are likely to be produced. In 1957, under the Harris budget, the country was going along and paying its way with a $400,000 surplus each day. As the result of the baby budget in 1957 an era was inaugurated, and when that budget was implemented the depletion of government accounts and the overspending on current account has amounted to $2 million every day since. In other words, the minister substituted a $2 million deficit day for a $400,000 surplus day. Day in and day out the taxpayers of Canada are worse off by $2 million because of the minister's reassessment in December, 1957. Just as sure as day dawns, the people of Canada are worse off by $2 million before the day is spent, and surely for the taxpayers of Canada every day is a dismal Diefenbaker day.

This afternoon the hon. member for Carleton (Mr. Bell) referred to the inconsistency of the Liberal party. I certainly cannot accuse the government of being inconsistent about this $2 million deficit day. This $2 million a day, day after day, becomes monotonous. It becomes monotonous for the Minister of Finance. This has already far exceeded the cost of world war I while it was being fought when we had 500,000 men overseas in the three services.

The minister has had to borrow this money from the people. He has borrowed money to pay interest on this money and, what is worse, he has borrowed money to pay the interest on the interest on this money, and this has been going on over three years.

On account of the need of flexibility in the minister's mind, in 1957 the increased interest has already amounted to $200 million a year. This has gone up by over 50 per cent or by over $500,000 a day. This extra interest plus bonuses and commissions over the last three years will approximate $600 million. That is a staggering amount. It is enough to build four Welland canals based on the cost at the time the Welland canal was built. It is enough to complete our share of the St. Lawrence seaway and have a lot of money left over. It is enough to build 40 Hamilton two mile skyways across the Hamilton harbour. This is just extra interest, it is not the interest.

Worse still, a lot of this high interest is built into our financial structure and in such a way that we will have to pay extra high interest on it for a generation or more. This would not be so bad if this extra spending went to pay additional money to our senior citizens or to put men back to work.

The former government raised the old age pension by $6 a month and this government by $9 a month, a total increase of 37½ per cent, but the contributions toward that were raised by 50 per cent. This government changed the old 2-2-2 formula to a 3-3-3 formula, an increase of 50 per cent, more than enough to meet the increase in the old age pension payments.

It is true that this government put men to work in housing but the money spent in housing is capitalized and does not come out of this over-spending. That money is capitalized as is the money used for the completion of the St. Lawrence seaway and as is money used for building the South Saskatchewan dam. It is also true that men were put to work under these schemes but that money is capitalized and goes to add to our gross debt. Our gross debt as of last year was up by $2.5 billion, since this government came into power. It will be up at least by $2.8 billion by the end of this year because the minister has a deficit close to $300 million. When you add to this amount the depletion in two government accounts, the unemployment insurance account and the defence equipment account, we arrive at a figure of between $3.4 billion and $3.5 billion, more than double the cost of world war I between the dates of declaration of war in 1914 and demobilization in 1919.

All this extra spending is a far cry from the promises that we heard to the effect that there would be an increase in social services, there would be tax cuts and the budget would be balanced. As I said, the increase in social services has been more than balanced by the increases in special taxes. We know that this government has collected more taxes than any other government before in our history. It has also spent more and its accounts are more out of balance than at any time in our peace time history. This record of the government's performance and the statement that "no one will suffer by reason of unemployment so long as I am Prime Minister" certainly take the cake to my mind.

Mr. Pickersgill: You ain't seen nothin' yet.

Mr. McMillan: Indeed, perhaps we "ain't seen nothin' yet". On August 10, when speaking on the estimates of the Department of Finance, I pointed out in the house how difficult it is for hon. members of the opposition to make much sense out of the estimates. I know that there were always some lapses in spending over the money voted in the different departments. I think this year they are out $30 million or $40 million and I can understand that but the minister himself under-estimated his financial requirements to service the public debt by nearly a quarter of a billion dollars in two years. I know that the minister excused himself by saying in effect that he would be revealing his mind to the financial community and it might affect the market on new bonds if he were to make known how much interest he expected to have to pay in any particular year but the difference between the estimates and the reality in terms of the cost of servicing the public debt seems colossal alongside the close estimates of former years. The minister is presently out by $243 million in his estimating in two years.

I do not expect that the announcement made by the minister to the effect that he would have a deficit of $286 million this coming year is necessarily right. I say this because when introducing the first baby budget on December 6, 1957, as reported at page 2002 of *Hansard*, the minister said:

> Mr. Chairman, I have been asked several times in the house to give a financial statement. I welcome this opportunity of doing so and not least of all because of some of the things that are currently being said outside of this house.

On that occasion the minister went on to criticize the former minister of finance, Mr. Walter Harris, who two days previously in London had predicted that the government would wind up with a deficit the following March unless it cut down its high spending. The minister also criticized the then hon. member for Winnipeg North Centre who, according to the Toronto *Telegram*, the previous day accused the Minister of Finance of hiding the books from parliament until after the next election. The minister doubted that anyone would be so gullible as to believe these remarks. He could not understand why such irresponsible statements were made, he said. The minister went on to state that he accepted the former minister's figure on revenue but was changing his figures for expenditures. He said that there had been increases in expenditures arising in part out of the changing economic developments and in part from new policies of this government.

In discussing the change in expenditures he first of all indicated that he was saving $164 million in relation to Mr. Harris' expenditures. I have smiled about that ever since. The minister said he would then have a surplus of $106 million but ended up with a deficit of $38.6 million in three months. The minister was out by the sum of $145 million in the three months to which the baby budget was to apply. It is therefore difficult for me to accept that the minister may be correct in his figure of $286 million. He is probably out in this estimate and in all likelihood the situation will be worse. I have described what may be characterized as the prologue to all the weird financing we have seen on the part of this government.

I have read much in the current press concerning the recent baby budget. The premier of British Columbia said he would resign if he could not make better predictions than the Minister of Finance. Premier Frost of Ontario said that the Ontario public works program will have to be cut back as a result of United States capital being taxed coming into Canada, unless money becomes more freely available in Canada.

I welcome any provision by which Canadians can develop their own country. The slowing down of foreign capital coming into Canada will depreciate the Canadian dollar. This is all to the good as far as our exporters are concerned although it will tend to increase the cost of living as we will have to pay more Canadian dollars for our imports.

A better way to help our economy in my opinion would be to keep interest rates down. Certainly everything that this government has done has tended to increase interest rates. I admit that this is not the only reason for the stagnation in our economy but it is the main basic reason. Because we protest the high interest rates, because we protest their results, we are accused of being prophets of doom and gloom. We will be accused of preaching doom and gloom because we say that this budget has nothing for the little man, because we say it does not come to grips with the all important problem of unemployment. I certainly think something could have been done to stimulate our economy and help overcome unemployment. I am not surprised that the minister has not done something along those lines to help overcome this problem, particularly when we hear him say that there is no emergency in unemployment. I was going to quote something that I have heard so often. The minister has not denied it and I am sure he said it, that is that there is no emergency in unemployment.

Whenever we predict the truth about interest rates, and they can see the results of those rates, they still say we are preaching doom and gloom. I will give the house two or three examples. At the time of the conversion loan—and we all remember that—the Prime Minister (Mr. Diefenbaker) and the Minister of Finance went on the air and said that everybody would get money cheaper; that the bond market would be stabilized; and that the provinces and the municipalities would borrow money to better advantage. We said just the opposite; we said that everybody would be paying more for money, and because of this unemployment would increase.

A little later the Prime Minister said, "It will mean bigger and better jobs; it will mean a higher standard of living for everybody". To disagree with the statements is to preach doom and gloom; to state the truth is to advocate doom and gloom. On many occasions when the bonds were plunging down from par to about 20 per cent below their face value the Minister of Finance said that the bond market had been stabilized; only to see the bonds go down again a few days later. We on this side of the house said that something had to be done to stop the drop in the bonds and therefore the high interest rates, and the minister at that time accused us of preaching doom and gloom.

Having in mind the fact that only on two occasions has any Conservative government had a surplus of as much as $1 million since confederation, and having in mind the inept way that this government was running its fiscal policy, I predicted in June, 1958, as recorded in *Hansard* at page 1587, that this government would never have a surplus. I see no reason to change my mind, although I will admit that the minister predicted a $12 million surplus this year. I have no reason to alter my prediction. It may be doom and gloom, but it is doom and gloom for the taxpayers.

As far back as April, 1959 I made another prediction. I declared that the fiscal policy was going from bad to worse. The Prime Minister and the Minister of Finance became very expansive in the way they were going to help the provinces. The provinces came here. I predicted on that day, as reported in *Hansard* of April 14, 1959, at page 2676, that there was no use the provinces coming here for help because this government could not even help itself. What happened? The provinces came here and the Prime Minister in effect told them to go home and collect their own taxes. Nothing was said about the $100 million for Mr. Frost. On different occasions Mr. Frost has said that he wanted more than $100 million.

During the election campaign Mr. Frost was in close liaison with the Conservatives in this house. After that occasion Premier Frost gave the Prime Minister a dinner in Toronto and there was much patting of one another on the back. Mr. Frost never got his $100 million. He was critical of this government because of the fact they were putting this extra tax on foreign capital; but this is doom and gloom for Mr. Frost, who else?

On various occasions I have referred to the fact that the minister gave gimmicks to the wealthy people in order to get them to take bonds or to sell bonds. These gimmicks were given to the wealthy people at the expense of the taxpayers. On August 10 last I referred to the $125 million 3 per cent bonds sold at $94.65, to mature in 19 months. This bond was so conceived as to pay individuals and corporations paying 50 per cent income tax a 5 per cent net after income tax or 10 per cent before income tax. In other words, their net earnings from this bond would be the same as if they had a bond at par paying 10 per cent or over. In his baby budget the minister says that this is an important but technical matter. These are his words:

> But unfortunately increasing use is deliberately being made by others of a device to pay bondholders the equivalent of interest in a form that is tax free.

The hon. member for Kenora-Rainy River (Mr. Benidickson) and I have repeatedly called this to the attention of the Minister of Finance and have told him that this was a device to give the wealthy people an advantage over the ordinary taxpayers, or those who could buy only a very small number of bonds. Now because he catches the provinces doing the same thing that he has been doing he says, "I will stop you". The minister is saying in effect, if you do what I do I will stop you; I agree it should be stopped; it should never have been started. The minister says, "Obviously such issues are very attractive to individual lenders in the high income brackets". The minister is penalizing those who use this practice when buying provincial and municipal bonds. He is penalizing them not because he thinks the practice is wrong but because he wants to collect more money. This amounts to a lot of money. I always thought that a minister who would deliberately load the bond sales so much in favour of the wealthy to the detriment of the ordinary taxpayer is not a fit and proper person to be finance minister of Canada.

Mr. Fleming (Eglinton): Mr. Speaker, on a question of privilege, the hon. member can say what he likes within the rules of parliament—nobody will worry very much about

that—but when he says the Minister of Finance deliberately loaded the sales to favour the wealthy and thereby give the wealthy a privilege, then I submit that offends all the basic rules of parliament. I ask that it be withdrawn because it is completely untrue in every particular.

Mr. McMillan: I will withdraw, Mr. Speaker, but if the minister did not do it deliberately, he did not know what he was doing. He must have known what he was doing because now he says the provinces are doing it deliberately.

Mr. Fleming (Eglinton): If I may deal with that point, I would say that the point is the hon. member has said the Minister of Finance deliberately rigged the rules in order to favour the rich. This is an offence against the rules of this house. He says this was done deliberately.

An hon. Member: He did withdraw.

Mr. Chevrier: There is no point of order.

Mr. Deputy Speaker: The rule, of course, is that a member may not impute motives to another. I may say that in my opinion the words used by the hon. member did not directly impute a motive to the minister. If an hon. member says somebody did something deliberately which in itself may not be wrong, I do not think that infringes the rules of the house.

Mr. McMillan: I should like to make a short reference to the 15 per cent tax which will be placed on dividends accruing from bonds owned by non-residents. During the last three years this government has taken all the loose money available. This was done to meet the cash requirements, to meet deficits and for other obligations. Premier Frost of Ontario has said that the provinces and certain municipalities have had to go to New York to borrow money. This has been done in spite of the warning of the Minister of Finance who said it was dangerous to do so. I agree with the Minister of Finance that it would be dangerous for them to do so because they might have to pay back these obligations at some time in the future when the exchange rate was against them. However, if the municipalities had not done this we would have had more unemployment than we have.

If United States money is lent on provincial, municipal or other bonds at 6 per cent, it will only return to the lender 5.1 per cent; at an interest rate of 5.5 per cent it would only return 4.67 per cent. In order to get 6 per cent net a bond would need to yield over 7 per cent. Unless the minister withdraws from the money markets to a greater extent than he has in the past there will be only two courses open to the provinces. The first alternative will be to cut down on their capital expenditures, delay them until some future time. The second alternative would be to pay an interest rate sufficiently high to pay for this tax in whole or in part. This would mean that the minister would be taxing the provinces and the municipalities on their capital expenditures, and I do not believe this is right.

In so far as this tax will make less money available, it will tend to increase interest rates. I would predict now that if the minister goes to the money market, as he has in the past, the interest rate on our federal bonds will go up to 6 per cent or beyond and the rate on provincial and municipal bonds will go correspondingly higher.

Lately our ministers have been going out from Ottawa on a kind of crusade to find fault with members of both opposition parties. I feel their time could have been better spent in Ottawa rather than making political speeches. If the cabinet gave us good government, then politics would look after itself. I do not believe the ministers should embark upon such a crusade as they have done within the last week or two. They might have been better employed in Ottawa carrying on the business of government. I feel that they have been talking to more or less hand picked audiences. I should like to invite them to come to my part of the country to Windsor, Hamilton or Toronto and try to make the statement stick that there is no emergency in unemployment, particularly if the unemployed are allowed in the door. I think these ministers would be better employed in Ottawa trying to find jobs for men rather than trying to tell the people there is no emergency in unemployment.

Finally, Mr. Speaker, I believe also that the different members of the cabinet should be helping the Minister of Finance in a department in which we have a continuing and chronic emergency.

Mr. J. R. Keays (Iles-de-la-Madeleine): Mr. Speaker, a debate such as we are having here tonight allows each member of this house free and independent expression of ideas and I am, therefore, pleased to take part in this debate. I should like to speak on topics of interest to this house, namely the economic, monetary and fiscal policies of this government. The budget which was presented last December has been qualified by many adjectives, a few of which have been less than commendable but most of which should have been gratifying to the Minister of Finance (Mr. Fleming). The adjective which struck me as being most applicable was the word

"courageous". The minister has displayed a courage which is synonymous with the Progressive-Conservative party and with Conservative policy ever since confederation, especially since 1957.

Whenever a Conservative government has followed a Liberal government it has been necessary to introduce legislation to protect the financial structure of our country and the well-being of Canadians. Why has this been so? It has been so because the official opposition, when they were occupying the government benches, were giving to this country a careless and lackadaisical administration. Fortunately they were taken off the hook occasionally by forces from outside our economy. Whenever the economy needed legislation to combat weaknesses this has been introduced when the Liberals were out of power.

I do not intend to rehash the statements that have been made concerning the condition of our economy in 1957. I should say, however, that it was a godsend that the population of this country decided to put in power a government with such dynamic leadership and with a minister of finance who was dedicated to the task of putting Canada back in the state of expansion, full employment and a full economy.

There are those who will say that the present conditions do not justify this statement. Truer words were never spoken than those of the Prime Minister (Mr. Diefenbaker) when he said that the underbrush must be cleaned up and that action must be taken. Mr. Speaker, now is the time of action. Now is the time when this government is moving forward to fulfil the wish of all Canadians for full employment.

Let us look at the throne speech. Never before was a more comprehensive plan given to the Canadian people. It was an attack upon those germs which have crept into our financial composition, not since 1957 but since the early days of the fifties when the handwriting was on the wall and no action was taken. Was it not evident then that automation, shortage of money and a changing economy would have warranted some action? The causes were evident and the effect was driven home. However, lackadaisical and careless administration reigned and stagnation set in. As I have mentioned previously, a few bright spots appeared but they were non-recurrent and hence the slip to a slow pace in our economic expansion.

As to loans to small business, it is true that the Liberals said they thought of that matter. Prior to this government coming to power they were thinking of so much legislation that they did not have time to introduce it. The effect of this legislation will be tremendous. During the recent recess I had the opportunity of speaking to business people who were extremely enthusiastic about plans to modernize, improve and extend the services to the public. It remains to be seen how the chartered banks will play their part and how they will contribute to the welfare of that segment of our business people who have no accesss to revenues from the sale of bonds and debentures or who cannot qualify for loans from the industrial development bank.

The chartered banks have contributed to the existence of small business and I would not say, as is indicated in an expression commonly heard, that the banks lend you money only when you can prove to them that you do not need it. They made a contribution but on the assurance from the financial statement or the assets of the borrower that he was able to repay it on a short term basis. Under present economic conditions and in a changing economy where patterns of business administration are different, the banks must live. They must make loans to those who need them; and with the legislation which has been passed they should lend more money to those in the small business sector. That they have a responsibility with respect to the productive capacity of this nation is beyond doubt and I am sure that they will answer to the call. This being done, investment by small business will put many hundreds of millions of dollars to work in our economy in every sector of the country. Secondary industry, which is the key to full employment, will develop and will walk hand in hand with steady national growth.

The opposition always seem to say that nothing has been done to alleviate the problems of today. What about the productivity council, this bold and imaginative bit of legislation? Getting the brains of primary and secondary industries together with the purpose of finding a solution for those problems of our productive industries, will be of great benefit to this country. I will not delve into the sound effect of a productivity council. However, I would refer hon. members of this house to the speech made in December last on third reading of this bill by the hon. member for Halton (Mr. Best) who spoke about our productivity council. In it there was information which was extremely valuable.

Mr. Pickersgill: Mr. Speaker, I feel that I must rise on a point of order. I do not think that anyone would take the slightest exception to the hon. gentleman's referring to legislation that had already been passed by the house in the present session. However, when it comes to quoting what other members have

said in debates that have already been concluded in this session, it seems to me that he is going beyond the rules.

Mr. Keays: I do not believe that I have quoted any one word mentioned by the hon. member for Halton.

Action by the productivity council will solve the problem of cost of production, quality of production and improvements to production, allowing the people to transact more business at home and abroad, making products more attractive and competitive. The economy is changing. Our government realizes this fact and is geared to respond to this challenge. Hence our actions to attack our economic ills.

What about our sales problem abroad? The record speaks for itself. In 1960 we sold abroad 20 per cent more than we sold in the year 1959. The figure is an all-time high. The novel idea of the Minister of Trade and Commerce (Mr. Hees) of gathering here in convention supersalesmen the world over has had a tremendous effect on many of our Canadian producers who had toyed with the idea but had never studied it seriously. As a result of the revelations at this convention they have gone back home disposed to concentrate on a bigger and better export trade. Is this not more action to attack economic ills?

May I suggest going further in this drive for expansion or for exports and home consumption and patterning a group similar to the productivity council itself in a study directed towards bringing in new industries or expanding present ones. This council within the Department of Trade and Commerce should be made up of people who are experts or professionals in their own trade in countries other than Canada. We are a young nation. We have much to learn from those whose history dates back many centuries.

As to the products made in those countries and which could easily be manufactured here, I am thinking now of products of the nature of those contained in the recent order obtained by the Montreal Locomotive Works Limited for the building of railway cars for the Toronto transit commission. The ingenuity of this company in going south of the border to get engineers to make plans, to study their costs and to tender intelligently on this order are things that we must think of and which are progressive in this country.

I do not believe that the orders given by the Toronto transit commission are the exclusive rights of Americans, Germans or French. The Montreal Locomotive Works has proven that they can also build at a competitive price and give quality equal to any. These people taken from the primary and secondary industries of other countries would be a complement to the productivity council and to those in the business of trade and commerce who are preoccupied with sales to other nations.

Irksome and painful as it may be, we must consider that the forestry industry of Canada is one of our large wage-earners and we must realize that so much saw mill and pulp mill machinery comes from other countries. I trust that this suggestion of a complementary body will find acceptance in this chamber and that we will not export our brains but keep them at home and bring in others who can be of benefit to us.

The hon. member for Kenora-Rainy River (Mr. Benidickson) has accused the government of not bringing in any legislation which would cure the exchange rate. I am sure he is very sorry for having ever mentioned this. The steps taken by this government have been indirect and the only way of implementing a change in the exchange rate. I do not say that the budget was aimed at this alone, because many consequences of a satisfactory nature will result from this courageous budget.

Let me also assure you—and I doubt whether there are any who do not believe this—that this budget was not offensive to our neighbours to the south. It was a Canadian budget to meet Canadian aspirations, and was not anti-American. We have problems to solve and we should solve them at home, not in an anti-American way but as a neighbour of that country and in the interests of Canadians. Our relations with the United States of America are good, and we should assure them of our desire for co-operation inasmuch as it does not affect Canadian interests.

By raising the ceiling of profit for small business, which is extended to $35,000 before they fall into the heavy taxation bracket, we have rendered tremendous comfort to those people who needed it most. By this relief a large segment of Canadian firms will put the additional reserve profits to work, expand more and provide more employment.

Could we not think of the small firms employing from five to 25 people mushrooming throughout this country, in the west as well as in the east, manufacturing those items which heretofore came into Canada by way of importation. I am thinking of this well-conceived plan of this government intended to affect all these segments of our economy. The incentives for the establishment of businesses in new areas where labour is available, the elimination of the surtax of 4 per cent, the imposition of a 15 per cent charge on dividends paid to non-residents, as I have said before, were planned and

prepared for an all-out attack on our economic ills. They were brought into affect by a progressive and systematic removal of the many obstacles which have been referred to as the underbrush. Now the way is clear for an advance towards the goal of a full economy.

What do you see south of the border? You see small towns spread out throughout the country which employ 5, 10, 15, 20 or 30 people, residents of those areas, giving them employment and supplying larger plants of the country. Everyone there has a hand in production, and there is no reason why Canadians should be denied this right.

The attitude of this government toward small business, the investment potential of Canadians, Canadian income restrictions on funds available, trust funds, mutual funds and pension funds, are all part of a well-defined plan. Canadians should produce for Canadians and in order that prices in Canada should be competitive with those of any other nation.

I said earlier that steps taken by the budget were not immediate but that the indirect effect of these steps has caused the lowering of the exchange rate. This, along with the redefinition of goods made in Canada will protect those engaged in manufacturing, thus widening the field of employment.

Think of those classes of goods which are called custom made. How many arguments will be saved at the ports of entry into Canada where purchasers argue by the hour to give their own definition of goods made in Canada. Think of those who are importing heavy equipment into Canada at the rate of $300 million, $400 million or $500 million a year and who are getting these goods across the border by a definition of goods not made in Canada because of the control system of the equipment whereby some additional light, battery or connection is attached thereto.

Those items entering Canada are competing with items being manufactured here, and I am sure that the redefinition of these words will mean more production and more manufacturing in Canada, not solely by Canadian firms but also by subsidiaries of United States firms. Savings will find their way into capital investment or into risk capital, because this government has given to the Canadian people that security which they needed for investment.

It is interesting to know that the total volume of life insurance in force in Canada, related to the national income, is 163 per cent, whereas in the United States it is 135 per cent.

I am led to believe that one reason why some of our Canadians have not invested in Canadian corporations—why they have not put a share of their money into risk capital—is because they did not feel secure about the financial policies of past governments. I am sure that as a result of the direction which is being given us by the present government and as a result of its monetary and fiscal policies Canadians will be increasingly encouraged to invest their money in Canadian companies.

There must be a warning. These pieces of legislation cannot of themselves accomplish the attainment of these ideals. Labour must be aggressive and venturesome. The unions must be understanding and tolerant. Management must be co-operative and patient, recognizing ability and leadership in the ranks. Bankers must give direction regarding our economy, and the government leadership in monetary policies. In its handling of our financial resources the government has shown courage, because it is being realistic and facing up to the demands from industry and labour, and these policies will show their effect much sooner than the opposition hopes. In view of this situation I cannot understand the amendment which is being proposed and I intend to vote freely, independently and justly in favour of the budget as prepared.

A few days ago a rally was held in Ottawa by a party called the Liberal party. It reminds me of a group of people who have assembled in a crater and who have got their heads together there to come up with solutions to the problems of the day. They have squeezed themselves together; they have put their heads together so closely that they have squeezed themselves into a cell, and I believe they have squeezed themselves off the platform of the political parties of Canada.

I see that they mention in their program unemployment benefits and greatly extended trading facilities. They speak about accelerated depreciation, easier credit and control of the Bank of Canada, improving the value of the Canadian dollar and increasing the market for Canadian goods. What kind of a binge has that party been on since this session came into operation? They do not realize that every one of those measures is a measure which has been brought in by this government. They just seem to be going a little further. They speak about the federal contribution to municipalities—here again, I think that is going back to centralization—and there is a reference to an incentive to industries to locate in certain specified areas. This sounds as if I have heard it before. It was proposed by this government.

The program talks about extended winter works and federal contributions to welfare in depressed areas. In the province of Quebec 90 per cent is now being paid, and I think

the public at large must absorb at least 10 per cent of the responsibility. In addition to all these benefits there are to be cuts in personal taxation, but there is no mention of where the money is to come from to pay for all this. As I have said before, the opposition is inept, careless and lackadaisical and they are operating today as they did in the days when they formed the government of this country.

Mr. Harold E. Winch (Vancouver East): Having looked at the time, Mr. Speaker, I get the impression I shall have to defer most of my remarks until we come to a later stage. Listening to the oratory of the hon. member for Carleton (Mr. Bell) this afternoon and to the oratory of the hon. member for Vancouver-Kingsway (Mr. Browne) this evening I think that at this time, when we are facing many weeks, and perhaps months, of work in this House of Commons, it might be advisable to remind the government of words which should be reiterated whenever a government begins to become imbued, as this government is, with arrogance. I say this because of the remarks of the hon. member for Carleton and the hon. member for Vancouver-Kingsway criticizing the opposition for criticizing the government.

I think, Mr. Speaker, we should all remember on occasions and keep in mind at all times that opposition in parliament is not a luxury to be indulged in occasionally but that it is a necessity. It is the one incontestable advantage which a free government offers independent and responsible people. It is the responsibility of the opposition to give warning, not in order to frighten but in order to instruct. The duty of the opposition is to oppose, is to criticize, is to warn, and no plea of state interest such as that made by the hon. member for Carleton this afternoon can relieve the opposition of its responsibility and obligations. I think the government and its supporters should remember those words. They are not mine. They are very famous words which have been used in the past on similar occasions.

Why is it necessary to warn? It is necessary because of conditions, existing or threatening, which are or may be serious. Listening to the hon. member for Vancouver-Kingsway, a supporter of the government, one would take it that there were no problems in British Columbia, that everything is rosy there. Yet there are items and factors of which notice must be taken. I note that according to the dominion bureau of statistics, in British Columbia in the first seven months of last year—and these are the latest figures I had available immediately after hearing the speeches today—7.7 per cent of the working force was out of work. I notice also that consumer spending in British Columbia was down by $30 million as compared with the similar period of the previous year. Motor vehicle sales in the province were down by 8.4 per cent and sales of building material were down by 25.5 percent. I find that in Vancouver the number of employable unemployed on the welfare roll was double that of a year ago. Those are some of the things which have been brought to our attention only through the medium of the D.B.S. figures, and although the figures I have mentioned are not completely up to date they are an indication of the situation.

Anyone who has read the Vancouver newspapers during the last month will know that the jobless total in Burnaby is up 260 per cent over the same period last year, city construction in Vancouver is at an eight-year low, the housing industry has declined in 1960 which was characterized as a black year and on January 1 there were many newly completed homes still unsold and unoccupied.

The government cannot close its eyes to these things. It is our responsibility to point them out, warn the government about them and ask what the government is doing to meet the situation by way of planning, policies and legislation. The government appears to adopt a lackadaisical attitude. It glosses over the unemployment situation as though it did not exist or would take care of itself if it were ignored. Apparently that is the attitude of the Minister of Finance. The minister, speaking in Moncton recently, as reported in the Winnipeg *Tribune* of January 11 said:

> —unemployment that does exist is due to automation in industry, an increase in the labour force and seasonal conditions.

Is that not a marvellous conclusion? The government has known about automation for years. It must have been warned about this trend by its own departmental officials. It has been warned about automation on the floor of this house year after year. Over the years we have asked how this problem would be approached, faced and met. We are told that one of the reasons is automation. The minister says the problem is seasonal unemployment. There has always been seasonal unemployment in Canada but this does not mean it will always be with us nor that we should ignore it today.

The minister referred to the advantages of the winter works program. I am not going to deny that much good can come of the program although it appears to be the only immediate policy the government has to meet the present unemployment situation.

The city of Vancouver is the third largest in Canada. In the eleven adjoining municipalities comprising what is known as greater Vancouver there is a population of approximately one million. According to figures released by the chairman of the metropolitan committee in charge of this program it will have provided employment to 2,300 people as of January 3. Any measure that provides employment is welcome but that amount of employment in relation to a population of that size is an indication of the inadequacy of the program. I give the government all credit for its attempts at long range planning as mentioned in the baby budget. I believe these measures will be of benefit but it is the immediate situation which must be of vital concern to us. The problem will not be solved as long as the government maintains the attitude that the unemployed are statistics. As a Toronto newspaper editorial pointed out, the unemployed are not statistics but people.

When we have criticized the government for its lack of policies, planning and legislation we are often confronted with the question: O.K., what would you do? The government is supposed to have the answers but nevertheless I admit this is a logical question. There are a couple of things I wish to mention and perhaps in the time at my disposal I shall have an opportunity of developing only one thought. This is a measure that could be speedily undertaken to assist in meeting the present critical situation.

My first suggestion appears to be a natural one. The government should create confidence in the minds of Canadian people and businessmen and give encouragement to businessmen and industry by following through with its declared policy of buying Canadian goods. When the government buys goods it should buy Canadian goods if the specifications are those required and if the price is relatively competitive. I think it is axiomatic that that is what is supposed to be done but I am certain it is not done to the degree it could be with the result that there is a lack of confidence on the part of Canadians and little encouragement to Canadian businessmen and industries. Of course, if you purchase from outside when you could purchase in Canada there is additional unemployment in our country. As a first step the government should rectify that situation where it exists.

It is only a year ago that I asked the then minister of veterans affairs why it was that in our major veterans hospitals the laundry was sent out and not done on the premises as is the case with most large non-veterans hospitals. I was told that it was customary to follow the procedure of sending out the laundry. It is apparently no longer customary because the government has introduced a policy in large veterans hospitals of permitting them to purchase their own laundry equipment. I am pleased to note that.

During the Christmas recess I learned that Shaughnessy military hospital in Vancouver is purchasing laundry equipment. I then received a phone call advising me that although there was a Canadian tender on supplies and equipment which they guaranteed would be produced in Ontario factories to the extent of 80 per cent the contract had been let to a United States firm under which 100 per cent of the equipment will be produced in that country. It is hypocritical of the government and its supporters to talk about the responsibility of industry and labour in this area when the government would allow a contract of this type to go to the United States. That is all I will say about the matter. The government is being unfair to the Canadian people, to industry and labour in allowing this practice to continue.

I hope that whoever is the watchdog for this phase of government administration will see to it that the government purchases Canadian goods if they meet the required specifications and are available at a relatively competitive price. The work would then be given to Canadians.

There is another matter on which I wish to lay stress which I feel could give great impetus to employment in British Columbia if we were to remove some of the unnecessary red tape and regulations applying to exports from that province.

This is something which will help us and our great timber industry. Since I require some 10 to 15 minutes to go into the matter, and since under standing orders you have to put the motion within 30 seconds, I hope that I may be able to complete this phase of my remarks at the next opportunity.

Mr. Speaker: Order. It being 9.45 o'clock it is my duty, pursuant to section 4 of standing order 58, as provisionally amended, to interrupt these proceedings and put forthwith the question on the subamendment now before the house.

The house divided on the amendment to the amendment (Mr. Regier) which was negatived on the following division:

YEAS

Messrs:

Badanai	Bourget
Batten	Bourque
Benidickson	Carter

Chevrier
Clermont
Denis
Deschatelets
Dumas
Eudes
Fisher
Forgie
Godin
Habel
Hardie
Herridge
LaMarsh, Miss
Leduc
Macnaughton
McIlraith
McMillan
Martin (Essex East)
Martin (Timmins)
Meunier
Michaud
Mitchell
Pearson
Peters
Pickersgill
Pitman
Racine
Ratelle
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robichaud
Tucker
Winch—40.

NAYS

Messrs:

Aiken
Aitken, Miss
Allard
Allmark
Anderson
Asselin
Balcer
Baldwin
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Best
Bourbonnais
Brassard (Chicoutimi)
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campeau
Cardiff
Casselman, Mrs.
Cathers
Chambers
Charlton
Chown
Clancy
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschambault
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Flemming (Royal)
Grafftey
Green
Grenier
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lafreniere
Lahaye
Lennard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLellan
Macquarrie
MacRae
McBain
McCleave
McFarlane
McGee
McGrath
McPhillips
Maloney
Mandziuk
Martel
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
Morissette
Morris
Morton
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Phillips
Pigeon
Pratt
Rapp
Regnier
Ricard
Robinson
Rogers
Rynard
Sevigny
Simpson
Skoreyko
Small
Smith (Calgary South)
Smith (Lincoln)
Southam
Speakman
Starr
Stearns
Stefanson
Stewart
Tassé
Thomas
Thompson
Tremblay
Valade
Vivian
Walker
Webb
Webster
Weichel
White
Winkler
Wratten—150.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask what the business will be for the rest of the week?

Mr. Nowlan: I do not know that I can answer it for the rest of the week but tomorrow we will carry on with the debate which we have been carrying on today. I understand there have been discussions which will indicate that on the following day we will take up the appointment of committees. If that business is not completed on Wednesday we will carry on with it on Thursday and follow with legislation.

Mr. Chevrier: May I call the attention of the acting house leader to the fact that Thursday is private members' day.

Mr. Nowlan: We shall have to conclude the motion on Wednesday and then go into private members' day.

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

Questions

ANSWERS TO QUESTIONS

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

T.C.A.—EMPLOYMENT OF STEWARDESSES

Question No. 43—**Mr. Howard:**

Since January 1, 1958, has Trans-Canada Air Lines hired any stewardesses, and, if so, for each month since that time: (a) how many were hired? (b) what was the country of recruitment by numbers hired from each country? (c) how many were Canadian citizens? (d) how many were citizens of other countries, and which countries? (e) how many, if any, were given passes to come to Canada for employment?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of T.C.A. advises as follows:

It has not been customary to require crown corporations to divulge information which is basically related to internal problems of company administration and management. This is quite distinct from giving information with regard to general policy which the company may follow in major matters.

T.C.A., like every other major international air carrier, has found it highly desirable, if it wishes to cater properly to all the traffic in the foreign countries which it serves, to employ a number of stewardesses and cabin attendants recruited in those foreign countries.

This is a recognized practice on the part of major international air lines, for obvious reasons. It is in no way contradictory with the general T.C.A. policy of employing Canadians wherever possible. In fact, during the last three-year period commencing the beginning of 1958, approximately 85 per cent of the stewardesses hired by T.C.A. have been recruited in Canada and approximately 15 per cent have been recruited in the various foreign countries which are served by T.C.A.

INCOME TAX COLLECTIONS FROM HUTTERITES

Question No. 47—**Mr. Kindt:**

How much income tax has been collected by the Department of National Revenue from the Hutterite colonies in Alberta for each of the years from 1945 to 1960?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1. To answer this question would involve a disclosure with respect to the affairs of persons which would be contrary to public policy. Moreover, the secrecy provisions of section 133 of the Income Tax Act operate to preclude the taxation division from furnishing any information of this nature.

SALES TAX COLLECTIONS

Question No. 51—**Mr. McIlraith:**

1. How much revenue was collected by the federal government from sales tax for each of the years from 1950 to the present time?
2. How much of these amounts was collected from taxpayers in each of the provinces?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

[*See tables on page 1103.*]

PERMITS FOR IMPORTATION OF HEARSES

Question No. 52—**Mr. Boulanger:**

1. How many permits were granted by order in council during the year 1959 and to date in 1960, for the importation of hearses?
2. To whom were they granted during the above period?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

1. During the year 1959 and to date in 1960, the prohibitory terms of tariff item 1215 were waived by order in council, on one occasion, permitting the importation of one hearse. This was covered by order in council P.C. 1959-1225 dated 24th September, 1959.

2. Mr. T. W. Curry, Sydney, Nova Scotia.

Questions

1 and 2: FEDERAL SALES TAX COLLECTED FROM 1950 TO NOVEMBER 1960

Year	Gross Sales Tax	Nova Scotia	Prince Edward Island	New-foundland	New Brunswick	Quebec	Ontario
	$	$	$	$	$	$	$
1949/50	415,221,679.07	6,582,281.69	123,981.46	1,866,038.79	3,838,925.13	134,633,332.08	226,594,188.54
1950/51	470,626,812.66	6,522,509.13	122,225.44	1,792,750.05	3,923,884.96	150,339,719.71	261,469,302.97
1951/52	611,491,580.37	5,282,780.01	175,858.20	2,232,093.96	8,993,919.95	198,462,691.94	332,718,849.45
1952/53	725,398,385.25	10,893,748.57	218,812.66	2,690,525.10	6,238,096.36	232,221,677.64	394,485,089.96
1953/54	755,237,251.46	10,747,287.51	187,452.37	2,784,268.76	6,520,376.86	234,778,968.13	420,130,374.06
1954/55	737,662,934.91	10,461,853.56	214,544.21	2,711,152.01	6,081,097.83	237,969,758.02	402,803,386.34
1955/56	823,020,246.04	14,319,032.69	294,258.02	3,295,370.13	7,458,443.25	249,894,981.15	461,525,295.30
1956/57	923,839,491.80	12,386,260.19	391,640.29	3,174,256.34	7,291,885.80	278,262,939.56	515,622,746.72
1957/58	908,842,660.44	13,417,813.88	367,656.57	3,200,743.31	6,469,621.08	282,337,194.45	500,904,325.58
1958/59	897,597,727.53	11,518,002.10	379,390.72	3,393,992.87	7,217,188.10	277,646,426.99	500,639,770.12
1959/60	1,037,609,531.31	13,135,800.76	485,253.50	4,004,502.62	9,763,633.01	322,877,752.64	573,793,285.16
1960/61 to Oct. 31/60	574,238,711.49	6,456,218.57	146,287.02	2,075,147.97	4,184,279.04	187,376,456.99	311,870,236.22

Year	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon Territory	Adjust-ments	Net Sales Tax*
	$	$	$	$	$	$	$
1949/50	13,502,733.90	3,224,737.73	6,813,363.20	17,836,449.62	192,524.32	13,122.61	403,437,163.24
1950/51	14,473,745.66	3,434,944.72	7,446,054.18	20,928,650.15	165,018.61	8,007.08	460,120,404.80
1951/52	19,593,463.46	4,396,200.07	10,836,940.59	28,535,943.95	240,370.18	22,468.61	573,470,562.34
1952/53	22,657,955.48	5,918,871.17	15,568,606.24	34,246,290.04	256,955.25	1,656.78	563,340,942.24
1953/54	23,190,818.44	6,754,033.03	16,336,738.56	33,511,913.33	272,615.37	22,405.04	585,694,369.95
1954/55	21,686,389.45	7,237,362.50	15,445,209.59	32,776,876.39	272,755.18	2,549.83	572,214,712.62
1955/56	23,185,969.79	6,617,244.70	18,970,550.93	37,124,442.41	332,592.55	2,065.12	641,510,469.00
1956/57	28,173,036.67	9,245,346.40	23,510,245.95	45,464,876.20	315,367.33	890.35	717,080,562.77
1957/58	26,835,090.20	7,716,293.15	23,046,770.14	44,195,855.63	351,067.60	228.85	703,169,768.16
1958/59	26,480,273.36	7,893,492.39	23,659,533.92	38,505,852.91	263,761.88	42.17	694,490,786.99
1959/60	30,955,922.49	8,717,706.30	26,536,079.79	47,082,043.64	257,425.45	125.94	732,658,330.50
1960/61 to Oct. 31/60	17,091,936.80	5,372,191.96	14,244,582.09	25,258,629.64	162,716.65	28.54	403,423,189.88

*Exclusive of old age security, refunds, drawbacks, special services, adjustment of penalties.

HOUSE OF COMMONS

Tuesday, January 17, 1961

The house met at 2.30 p.m.

DEFENCE PRODUCTION

CANADA-U.S.—INQUIRY AS TO PROPOSED AIRPLANE EXCHANGE

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Is the minister in a position to report on the plane swap deal with the United States government?

Hon. D. S. Harkness (Minister of National Defence): No, Mr. Speaker, I have no information to give the house in that regard at the present time.

Mr. Hellyer: A supplementary question. Would the minister confirm that the rejection of the deal at this stage is United States economic retaliation—

Some hon. Members: Order.

Mr. Hellyer: —for the procrastination, indecision and lack of co-operation on the part of the government of Canada?

Some hon. Members: Order.

Mr. Speaker: Order. I do not know how much of the hon. member's assertion in the guise of a supplementary question is on the record, but it was an improper use of the question period.

Mr. Harkness: I think in view of the assertions made by the hon. member I should make it clear that he is apparently proceeding on assumptions which in my opinion have no foundation whatsoever.

Some hon. Members: Order.

Mr. Speaker: I hear hon. members shouting "order". There was a supplementary question which I considered to be out of order, and in the circumstances I suppose an answer would be equally out of order.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wish to direct a supplementary question to the Minister of Labour and ask whether he has given any consideration to the number of jobs that will be lost to Canadair by reason of the loss of this order.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I am not aware of any order such as that to which the hon. member refers.

TRADE

JAPAN—INQUIRY AS TO PROGRESS OF CONTROL AGREEMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Finance. Would the minister care to comment on a press report from Tokyo that Japan might have to apply its own system of control over exports to Canada because of difficulties in negotiating a bilateral control agreement with the Canadian government? In view of the great importance of the Japanese market for many Canadian commodities, could the minister say whether a successful agreement may be arrived at at an early date?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, negotiations are proceeding with representatives of the Japanese government in Ottawa with a view to arriving at acceptable quotas on exports of certain commodities from Japan to Canada for the year 1961. So far as this report from Tokyo is concerned, all I can say is that it is quite at variance with the statements that have been made to us by the representatives of the Japanese government here in Canada.

NATIONAL DEFENCE

INQUIRY AS TO REPLACEMENT OF INTERCEPTOR SQUADRONS

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Can the minister say if he plans to replace the CF-100 interceptor squadrons, or is Canada withdrawing from the interceptor role?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, any answer to this question, as the hon. member well knows, would be a policy statement in regard to the air defence of our country. The hon. gentleman knows that this is not the stage in our proceedings at which such statements are made.

Mr. Hellyer: The lack of an answer is also a policy statement.

Mr. Starr: What does the hon. gentleman know about airplanes?

Mr. Harkness: Mr. Speaker, the statements and assumptions the hon. member for Trinity

makes along these lines are almost completely incorrect. I think he would be well advised to not base statements on these incorrect assumptions.

Mr. Speaker: Order. I do not know whether the minister is speaking to a point of order, but it does not seem to be an answer to the question.

INDUSTRY

BRITISH COLUMBIA—CLAIMS AGAINST U.S. OWNED LUMBER COMPANIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Acting Prime Minister. I apologize for not giving him notice, but I have been busily engaged on a television program this morning—

Some hon. Members: Question.

Mr. Herridge: —giving my views on the Canadian flag. I do not know if I upset the apple cart or the bandwagon. My question is, in view of the fact that several small United States owned lumber camps in the Kootenays have failed in recent years and the owners have disappeared to the United States leaving their employees and creditors without recourse, and in particular in view of the recent failure of the Hilco Lumber Company where there are dozens of employees owed money, some to the extent of $900—

Some hon. Members: Question.

Mr. Herridge: —and the rascals have gone off to the United States—

Mr. Speaker: Order. I think the hon. member's preamble is getting too long.

Mr. Herridge: My question is, has the government contemplated introducing legislation that will protect Canadian citizens from this nefarious business practice?

Hon. Howard C. Green (Acting Prime Minister): Mr. Speaker, I suggest to the hon. member that this is a matter for the courts in British Columbia; one that should be dealt with through the regular judicial bodies.

[*Later:*]

Mr. Herridge: May I ask a supplementary question. I did not make myself clear. The point is that this is a federal matter, because these employees have put the firms into bankruptcy and there is no blighter on whom to serve notice. Everybody has disappeared. Should there not be some amendment to the Bankruptcy Act?

[Mr. Harkness.]

Mr. Green: There is provision in the law of the land for substitute service and service abroad. The hon. member should consult his lawyer.

COMBINES

SCARBOROUGH TOWNSHIP, ONT.—REPORTED IDENTICAL INSURANCE BIDS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, in the absence of the Minister of Justice I wish to direct a question to his parliamentary secretary. My question is based on a news item in the *Globe and Mail* of January 10, which indicates that Scarborough township received identical bids on insurance coverage for its buildings in the amount of $3,665.75 from five insurance companies that are listed. Has the attention of the minister or his department been directed to this set of circumstances, in order that the combines investigation branch might take action?

Hon. Noel Dorion (Secretary of State): I will take that question as notice and advise the Minister of Justice.

UNITED NATIONS

CONGO—REPORTED REQUEST FOR CONTRIBUTIONS OF FOOD

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs arising out of a report that the United Nations food and agriculture organization has requested a contribution of food for South Kasai province of the Congo, where 200 persons are reported dying each day. Has Canada received any such request, and what action is Canada taking to make surplus food available to prevent starvation in the Congo?

Hon. Howard C. Green (Secretary of State for External Affairs): This question is under consideration at the present time in the Department of External Affairs and in other departments of government.

Mr. Argue: How soon may action be expected, since 200 people are dying every day that action is delayed?

Mr. Green: This government always acts with great dispatch.

CANADIAN PACIFIC RAILWAY

REVELSTOKE, B.C.—STATEMENT ON RE-EMPLOYMENT OF NON-OPERATING EMPLOYEES

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on December 21 the hon. member for Assiniboia asked a question concerning

a report that certain non-operating employees of the Canadian Pacific Railway Company in the Revelstoke area who were laid off as a result of the threatened strike have not been re-employed.

I referred the question to the railway company, and the management have advised me as follows. When the grain handlers strike became effective on the Vancouver waterfront on November 8, it was necessary to make a reduction of certain employees on the Revelstoke division because of a considerable reduction in traffic. The strike continued until November 30. In addition there has been a general decline in traffic in that area. Also, with the advent of winter conditions, toward the end of November track forces were reduced and one extra gang was laid off.

Up to the present time traffic conditions on the Revelstoke division have not warranted the return to the service of additional staff. It is expected that very soon the extra gang that was laid off will be returned to the service for handling snow and, if traffic picks up, other positions will be restored.

The management add that no reductions were made that could be classed as due to the proposed non-ops strike and in contravention of the act of parliament passed in connection therewith.

Mr. Hazen Argue (Assiniboia): May I ask a supplementary question. The minister's reply has to do with the grain handlers strike. My question had nothing to do with that; it had to do with the lay-offs which were made prior to the passage of Bill No. C-45. I wonder whether the minister would make further inquiries, since the information I have is to the effect that those employees were laid off in early December and not in November, which is the information he has been given.

Mr. Balcer: As I have explained, Mr. Speaker, the grain handlers strike was one of the reasons for the various lay-offs in that area. There were also other conditions that brought about the lay-offs. I think I have covered the question in my answer.

Mr. Argue: I should like to ask a further supplementary question. Does the minister feel that the C.P.R. management have given him a correct assessment of the situation, or are they giving the minister the run-around with an erroneous statement?

Mr. Speaker: Order. I doubt if it is an administrative responsibility of the minister to express an opinion on the C.P.R. management.

AGRICULTURE

SUGAR BEETS—INQUIRY AS TO ASSISTANCE TO ONTARIO GROWERS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the parliamentary secretary—the one from Ontario, I presume—to the Minister of Agriculture, in the latter's absence when we may expect an announcement from the government regarding the serious situation confronting the sugar beet industry, particularly that aspect which concerns the growers in southwestern Ontario.

Mr. L. E. Cardiff (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, I might state to the hon. member that this matter is under discussion and a definite answer will be provided very shortly.

TRANSPORTATION

ROYAL COMMISSION—INQUIRY AS TO PRESENTATION OF REPORT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport. Has he any recent information as to when the royal commission on transportation will be handing down its report?

Hon. Leon Balcer (Minister of Transport): There is no change in the date announced earlier in the house.

TRANSPORT

EASTERN NEWFOUNDLAND—INQUIRY AS TO BUILDING OF CAR FERRY

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Minister of Transport whether the government has yet reached a decision to build a car ferry for service to eastern Newfoundland, which matter was reported to be before treasury board in August of 1959.

Hon. Leon Balcer (Minister of Transport): To my knowledge a decision has not been reached yet.

THE BUDGET

SUPPLEMENTARY FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Monday, January 16, consideration of the motion of Hon. Donald M. Fleming (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Benidickson.

Mr. Alexander Best (Halton): Mr. Speaker, I am happy today to be able to make a few remarks during the continuation of the budget debate. First of all I should like to compliment some of those who spoke to the house last night, the hon. member for Vancouver-Kingsway (Mr. Browne) and the hon. member for Iles-de-la-Madeleine (Mr. Keays), for the interesting information they brought before the house on various aspects of the supplementary budget. The situation was covered to a great extent, as I have said, by these members and others such as the hon. member for Carleton (Mr. Bell), who spoke yesterday afternoon.

My own feelings over the Christmas recess, and the impression I gained from my constituents and others, was that the supplementary budget was indeed a sound one and brought forward most important changes in economic structure from Canada's point of view. As some have pointed out, it was not a budget that would perhaps affect directly the taxation position of every individual in this country in the most immediate sense but it was a broad and basic budget, one which in the long run and, indeed, in the short run in many cases, will affect us all. I feel that it was a national budget without being strictly a nationalistic budget, one which was Canadian in its scope, not anti-American, one which should help and aid the growth of our country in the months and years ahead.

It had as a most important secondary effect, and indeed one of the most important effects of all, that of bringing the Canadian dollar closer to par with the United States dollar. This is a problem about which I have received many letters, as I am sure other hon. members have as well. It is a most important matter, and the change in recent weeks is having and has had a very beneficial effect on the economic life of our country.

There are a few matters in this supplementary budget upon which I should like to touch briefly. The first is the increased depreciation applicable to new industrial plants either in areas in which there is a labour surplus or which will be manufacturing new products. I feel this important measure will have a healthy effect on many areas of our country. I can think of more than one manufacturer in my own riding who has mentioned this matter in recent months and years. I am convinced that these manufacturers will be taking positive action now as a result of this budgetary change.

Then there is the question of taxation in so far as the income of university students is concerned or the support they receive from their parents. This is another problem that has annoyed and frustrated people for many years. I believe this budgetary change is a good one. It is one upon which I have received many letters in recent months. I think the Minister of Finance is to be complimented upon these and other measures brought about in the budget.

I believe all hon. members on this side of the house are glad indeed, Mr. Speaker, to see most members of the Liberal opposition back in good health. They seem to have had a rather rough time last week at the Coliseum. As a matter of fact I was wondering, as various members of the Liberal opposition struggled to head up or head off various resolutions, whether or not control of the party was leaving them behind, or where the control really lay. Of course the old timers were there, all the old gang. We saw the old faces; the members of the boards of directors, the people who have been in the background and the foreground of this party, guiding its destiny for many years. Nothing had changed.

Nevertheless there was an outcry from the young Liberals, who were there in large numbers. They really did not get their way. They were trampled, they were pushed into the corner, but they did make their voice heard. Perhaps, at long last, we are seeing a breath of fresh air blown into the Liberal party. I see the hon. member for Essex East (Mr. Martin) smiling. We did not hear too much from him. Perhaps he is waiting for some more propitious time to voice his goals and his aspirations. When we did hear from him, it seemed to be in a negative way. He did not seem to agree with the health and welfare resolutions. He did not want his hands tied because at some time in the future he may wish to introduce measures of his own. What really disappointed me, Mr. Speaker, was the fact that we heard nothing at all from him on the subject of agriculture. As the agricultural critic of the Liberal party, and as one farmer to another, I thought at least he should have given the meeting the benefit of his opinions on various subjects such as soybeans, sugar beets, rapeseed and other agricultural commodities. We did not hear very much about that. Their agricultural platform was a void.

As a matter of fact we heard very little about agriculture and about a good many other things. I was interested in fiscal and monetary policy. There were a number of resolutions brought forward about which we heard very little except some vague references to a national planning commission, socialism at its height. Various members of the press have said it is a question whether the members of the Liberal party lunged to the left, lurched to the left or were dragged skyward or the other way. It is still a question, because no one knows where the Liberal

party went last week. All that can be said is that it went off in all directions and in a lot of dust.

In so far as Liberal policy is concerned, I should like to refer to a clipping from the *Globe and Mail* of January 12, a newspaper which cannot be said to be biased toward us these days. The heading refers to the fact that fiscal policy remained on the agenda. Did it ever get off the agenda? I do not really know. Perhaps there are some Liberal subcommittees in some dark recesses of the Coliseum still trying to hammer out some fiscal or monetary policy. Nevertheless they were going to spend a lot of money.

There were lots of comments, of course, and lots of cures at this rally; there were comments about our budget and about other national problems. We only wish—and I say this with great sincerity—that these comments and cures would be voiced in this house and not just at rallies. We would like some positive enlightment from the opposition party as to what they really propose to do, and we would like that in this House of Commons.

Mr. Grafftey: That is asking too much.

Mr. Best: The Liberals proposed a number of things at the rally last week. I note, again in the *Globe and Mail* for January 12—because this had a fair amount of publicity—their comments on unemployment: "An eight-point program featuring easier credit, lower interest rates and personal income tax cuts". I ask you, Mr. Speaker, does this party really believe in tax cuts and all that sort of thing? Can the public of Canada really believe in this sort of thing?

All we have to do is look at the Liberal record in the years prior to 1957. Look at the huge surpluses that were taken from the pockets of Canadians everywhere, and how do we mesh this with the philosophy and the ideas put forward at the Liberal rally of last week? I think it simply cannot be done, and I question whether the public of Canada will think it can be done; that is, lower taxes, increased benefits and increased expenditures in every sense and form. The Leader of the Opposition and others pointed out that it was necessary to make something attractive to the public, something that they would vote for. But I think one can go too far in this direction. I think the public of Canada will also realize that.

I do not think I am being too unfair when I say to this house and to the Leader of the Opposition that there were a number of rather touching scenes at the Liberal rally last week. One of them I saw as I sat, along with many Canadians, watching the television performance which I think was on Wednesday night last. There was a lot of noise and music and the Leader of the Opposition, the Liberal leader, was waiting to begin his speech. Some of his comments came over television just before that. He said he had only 20 minutes left; his television time was vanishing and vanishing, and all the while the band played on. Stop the band, he cried. It was a touching scene. That program was going out on this evening right across the country to Canadians everywhere, and it was indeed sad.

I sometimes watch the late show on television—

Mr. Chevrier: Are you speaking of the budget?

Mr. Best: —which frequently lulls me to sleep. I am not sure which was more soporific last Wednesday night, the late show or the Liberal rally. I believe they ran tough competition one for the other; there were the good guys and the bad guys in them both, lots of guns popping off, and there was all the bluster, balderdash, and so on that one frequently sees on these late shows, these "go to sleep shows" on television.

There were other things. I was very pleased to see this, and I wish we saw more of it in this house. I am referring to the hon. member for Trinity (Mr. Hellyer). I was delighted to hear his bilingual baritone the other evening. One of my friends called it a bathroom baritone, and I think that is perhaps the way to describe it. He has an excellent voice, and if you would allow it, Mr. Speaker, I think if he would only confine his utterances in this house to singing he might carry with him the majority opinion of this house rather than that of a small minority.

Mr. Chevrier: You are doing pretty well on diverting.

Mr. Best: I will not divert, Mr. Speaker—

Mr. Chevrier: Keep right on.

Mr. Best: —because it seems to me that when we come to serious subjects such as defence, we have heard the hon. member for Trinity support in this house the case for manned interceptors and various principles through the last few months and years. But the other night he changed all this. No more interceptors. I think we should really be serious as we look back on the large flip-flop that the Liberal party had last week in its platform. I do not call that diverting, or perhaps it is diverting; perhaps that is a mild way of putting it. I call that pretty serious for anyone examing the record and platform of this Liberal party.

Something that interested me about the Leader of the Opposition was that in his

television speech pointed out—I have forgotten the exact words—that his party had at last decided upon a position or a platform. Which position, Mr. Speaker? Which platform? Which of the 57 different varieties that were offered last week was he deciding upon? I do not know, and I could see in the audience behind him the puzzled, bewildered frowns of his delegates, wondering just which position they were deciding upon.

He said he had decided upon it, but a little later in the same speech, or again at this rally, he covered himself very well because he said something to the effect that "We will not really be committed to anything that has been brought up at this rally. We will take this merely as guidance. It will not hold us down in the house or when we form a government". So really we are getting the best of both worlds, are we not? There are a number of policies from which they can take their choice, and they will not be bound by any of them. I think it must require practice to be able to say and bring about this sort of thing.

The purpose of this rally was very well defined by the hon. member for Trinity at its inception, in his opening remarks and introduction. He referred—to its purpose, and I am quoting from a newspaper report—as "the well-being and happiness of the individual". If ever one could come upon a more generalized, a more vague, a more pleasant-sounding position than that, I do not know how. In a way it sounds like a conference of tranquilizer salesmen; "well-being and happiness of the individual". Perhaps that is what it was meant to do, to lull the Canadian people, to put on a performance.

I did not see them on television and I was disappointed, but I am told about the pigeons. They got out of this meeting and rose to the rafters, much to the consternation of everybody. The band was playing, the dust settled down and it took them quite a long time to clear up that dust.

An hon. Member: They were homing pigeons.

Mr. Best: Perhaps they were homing pigeons. As the hon. member for Peel (Mr. Pallett) pointed out to me the other day perhaps they were just chickens going home to roost. In any case they were part of the entertainment value of this performance last week.

There are a number of other things. Indeed, it must have been difficult for the Liberal party to attempt a policy statement last week, with our government going into so many fields with vigour and determination. It must be most difficult for the opposition to try and nail down just a little corner of the canvas on something new which they can do, whether to be right or left. This presents a genuine difficulty, and I sympathize with the opposition in their attempts to do so.

I was delighted, of course, that among the coterie of notables there I saw the photograph of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) in the newspapers. He was beaming down at all of us across the country and I am sure he enjoyed his time; also the joint chairmen of the rally, the hon. member for Trinity and the hon. member for Gloucester (Mr. Robichaud). I am told though perhaps not on good authority, that the hon. member for Gloucester is getting a little jealous of the hon. member for Trinity because of his singing ability, but I am sure that with practice he can achieve something like the same level of tonal quality.

The Leader of the Opposition, with considerable vigour, championed his party's cause with comments such as, "Let us have an election this year; the sooner the better, and so forth. But knowing him as we do here in this house, I think we detect just a faintly hollow note in these utterances, because he has done this before, and he has suffered the consequences of what happened when he did it before. I do not think that this remark was really meant to be taken quite at its face value.

It was quite a performance, all told. They looked at various questions such as red China. There was talk here and there about that with violent disagreements. They did not talk too much about trade. How could they? Agriculture, as I have said, was disappointing to me personally and, I think, to many others, because of the lack of direction from the hon. member for Essex East. But there were other things. It reminded me—these pigeons and all that sort of performance; the Coliseum being used for various purposes—of an opera house of sorts. Some people pointed out that all this had a slightly operatic effect, with the hon. member for Trinity adding a somewhat Wagnerian touch. Perhaps this was meant to give comic relief, or relief of some sort from the tedious round of meetings. There were many odd birds; it had a certain zoo-like quality.

On subjects such as defence, we were puzzled. We have seen, as I say, a change in this Liberal party. A party which, in part at least, was the architect of such organizations as NORAD now swings violently away from commitments and co-operation with our neighbour to the south.

An hon. Member: Bird watchers.

Mr. Best: Yes, bird watchers. They are getting out of the interceptor field. I admit

it is an interesting and difficult position for Canadians. There is a large body of opinion which is concerned, as indeed we all are in Canada, about our problems with nuclear weapons. This party has decided to commit itself to the fact that Canadian soldiers will not, I gather, in Canada or presumably in western Europe, use tactical weapons of this sort, or even possibly not use tactical weapons of this sort when the foe they might be facing is certain to be using them.

I question this very delicate, this very, in a sense, distinct line along which this party is moving; and in the opinion of many Canadians it must be moving toward a markedly neutralist position. I say this because our Prime Minister and our Secretary of State for External Affairs, as shining examples, are leading our country in international deliberations toward nuclear disarmament; toward peaceful and controlled disarmament; and I think this man, our Secretary of State for External Affairs, deserves the compliments of all Canadians for the work he is doing in this connection. This, I think, is the honest, the straightforward, the progressive approach that we must take rather than committing ourselves not to using certain weapons, even though we hope we never will, not to doing certain things, toward pulling out of certain negotiations and certain commitments. This is the stand taken by the Liberal party, and I hope it will not be ours.

I think the party rally last week might have gained useful experience from certain members of the New Party. I am quoting from a letter which appeared in the *Globe and Mail* of January 10, 1961 from the hon. member for Port Arthur (Mr. Fisher). In it he emphasizes some of the remarks he had made earlier regarding the new party. He says:

> I hope the new party will have success in its search for power; I hope to help prove some of my doubts wrong. It is a conviction, perhaps a delusion, of mine, that such hopes should not keep one from analysing things as they seem to be or may turn out.

I would recommend to the Liberal party that they try to take some of that philosophy for constructive and useful criticism in their party deliberations. There was a great lack of that last week, and it is only to be hoped that it may come in the future.

Regarding defence matters, one might quote again from the *Globe and Mail* of January 11. A lot of things were happening about the country around that date, it seems. The leader of the C.C.F. party in this house, the hon. member for Assiniboia (Mr. Argue), is quoted as saying at Hamilton, Ontario that there is no defence in nuclear war and that our armed services should disband. Perhaps that is an extreme point of view; no defence and no armed forces. What would we do? Would we just sit and wait, and get out of our commitments and decline to work with our allies? Are we seeing here an example of the Liberal party working toward these socialist principles of isolation and a complete withdrawal from commitments, from national defence, defence abroad and joint agreements abroad? Perhaps we are. There may be some further decision coming in the Liberal party's annals, some further planning in the dark recesses of their minds in preparation for getting out of the North Atlantic Treaty Organization and severing our commitments and relations with this powerful and traditional bulwark of freedom. These are the things I think Canadians will question in the months and years ahead in connection with this rally which we saw last week.

The matter of the flag, of course, was brought up and a two-year time limit was set if they returned to power. Little was said about the decades of time during which they might have dealt with this matter before 1957, or of the committee which was constituted, I believe in 1945, and which was flooded with thousands of possible flags and which 12 years later, in 1957, had not made a decision. Little was said about this, but they set this two-year limit, supposing they should be in office. These are the things we saw.

In conclusion Mr. Speaker, I should like to make three constructive points unrelated to the entertainment event of last week. They are three points which are related one to another, and I hope the Minister of Finance and the cabinet may consider them. They are matters of interest to myself and I am sure to other members in this house and to people across Canada. First of all, I should like to make a few remarks about the Royal Society of Canada. This organization, which is a body of scholars in various fields, in the arts, letters and sciences, I believe, is one which could be strengthened in our country. At the present time it is my information that they use some office space in the national research council building. I think it might be a project for the government in the years ahead to promote the independence and strength of this important body, possibly by providing some funds, by which the society might have here in Ottawa a building as its own home. I put forward this suggestion. It is not a new one; it is one which has come from some of the members of this society.

Second, I should like to propose the idea of an agricultural research council for Canada. Speaking in this house last year I complimented the government on the establishment of a new council, the medical research

council for Canada, splitting off, as it did, as a section of the national research council, the first and senior body. I know that in our country we have great room, great need for a medical research council, and also for an agricultural research council. We would not entirely be copying the British example in this field where there is a medical research council, an agricultural research council and a department, I believe it is called, of scientific and industrial research, but nevertheless there is a pattern there to follow. We would be fulfilling a need for co-ordination of the tremendously costly yet important agricultural research programs which go on in this country. We have huge amounts of funds spent in the federal Department of Agriculture in this field. We have the farm system, the research and administration stations. We have our various provincial departments of agriculture and their corresponding educational institutions and research stations. I know there is some measure of liaison among these bodies now, but I think a central council which might in itself at first not have its own research facilities but would at least be a co-ordinating and advisory group in the agricultural field would indeed be merited.

Perhaps I am presumptuous in mentioning my third point. It is that in the years ahead a new ministry might be considered for our government, a ministry for science with a minister for science at cabinet level. In this we would also be following the British tradition established in 1959, when Lord Hailsham was made the first minister for science. The American, and other governments, have cabinet level people in this position. There is some value in having at cabinet level a minister who would have responsible to him such bodies as an agricultural research council and, I would hope, the national research council and medical research council now established, probably also Atomic Energy of Canada and possibly other organizations as well. This might be a means of pointing up to Canadians the tremendous importance of research funds and activities and the results of research, and also making such ever more important knowledge directly available to cabinet. There are naturally research matters and research projects which cut across all departments, and which take place in many of them. I am not suggesting that they be taken out of such departments. At first a new ministry might indeed be an advisory and co-ordinating area, or person, to whom the various bodies I have mentioned would be responsible.

I put forward these three ideas in some humility and in the hope they may be considered in the months and years ahead.

[Mr. Best.]

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, as custodian of the rules of the house I am sure Your Honour will be relieved when I assure you that I do not intend to follow the example of the hon. member for Halton (Mr. Best), who devoted 20 of the 30 minutes at his disposal to what I believe is the most important political event that has occurred in this country for some time, the national Liberal rally. I must say that we on this side of the house are exceedingly grateful for the amount of attention that hon. gentlemen opposite have already given to that important event in this debate, particularly when we compare it with their very sparse references to the speech made by the hon. member for Eglinton (Mr. Fleming) on Tuesday, December 20, a speech which most of them would apparently prefer to forget.

It is also noteworthy that the hon. member spent another 5 of his 30 minutes grinding his own particular axes, which no doubt could have been done at some time or other but which should not take up time in the budget debate. I assume that is also another measure of the hon. member's evaluation of the importance of the present budget.

I, sir, intend to discuss the budget and matters related to it; and unlike the hon. member for Halton, when I talk about the budget I intend to talk about the reason we had a budget. That is the unemployment crisis that exists in this country at the present time. The hon. member for Halton did not allow the naughty word "unemployment" to pass his lips.

I am not going to say that this budget is all bad. It is like the curate's egg; it is only bad in parts. I suggest, however, that an egg which is only bad in parts is not a very attractive article. That is perhaps one of the reasons the supporters of the government are anxious not to talk about this particular egg which was laid by the Minister of Finance.

There seems to be some doubt in the minds of many people as to why there was an extra or supplementary budget at all. The only reason I can think of for this is that the Minister of Finance himself felt he was being eclipsed in the struggle for publicity, and that the only way he could hold up his end was to bring down a budget. While there are one or two things the minister is proposing to do which are not bad—and we will indicate our position on them when the time comes—there is no adequate excuse for having a budget at all.

If the minister had come in with that modesty which characterizes some of his colleagues and said, "We feel there are a few changes that might be made that would not

merit all the paraphernalia of a budget but which might be a little helpful," and had done this in a modest way and then allowed the results to speak for themselves, possibly six months hence there might have been some results to gratify the minister. But the minister cannot do things in that way. His method is the opposite one; he tends to blow things up into great balloons and, like all balloons, the minister's eventually burst. The expectations aroused by the minister both before and after the budget are of a character which cannot possibly be realized by any of the results that are likely to follow.

I am sorry that the Minister of Forestry (Mr. Flemming) is not in the chamber at the moment. He was here a few moments ago, and I wanted to make a reference to him. I think we from the Atlantic provinces all expected that when this great star from New Brunswick—perhaps I should call him a fallen star—came into this house, those fiscal ideas and those claims for the Atlantic region which he professed so loudly from Fredericton would reflect themselves in the budget of his namesake after he became a member of the government. It is pretty disappointing to everyone from the Atlantic provinces to see that the only reference to the Atlantic provinces is that we cannot have regional policies in this country. I paraphrase the minister's statement on that.

I want to say one or two words about one feature of this budget which I think is wholly bad. I may say that the hon. member for Carleton (Mr. Bell) correctly anticipated that I would say something about this. He correctly anticipated it, of course, because he was perverting history in his speech yesterday. The hon. gentleman was very anxious to suggest that the parentage of these made in Canada proposals of the Minister of Finance was wholly Liberal. He referred to Mr. Fielding in 1904 and even dragged in poor Sir Clifford Sifton by the heels.

Mr. Bell (Carleton): What was poor about Sir Clifford?

Mr. Pickersgill: He was having a poor time in the government at that time, as the hon. member knows, and resigned shortly afterward. But then the hon. member attempted to cloak this proposal in the ample folds of the cloak of Mr. Mackenzie King, and said that this government was going back to 1936, to the position taken by Mr. King which had been eroded—I am not sure if that was the hon. member's exact word—

Mr. Pallett: Chiselled.

Mr. Pickersgill: Yes. Of course the hon. member for Peel (Mr. Pallett), who supplied the word, would know what that word means. I think I will accept the amendment; the word was "chiselled".

The fact of the matter is, of course, that what the government is doing is precisely what it did two years ago over dumping. It is going back just a little beyond 1936. It is going back to Bennett and arbitrary provisions giving all power to the minister, taking it away from parliament and taking away any appeal to the tariff board or on points of law to the courts, and going back to the fine old system they had in the days of Mr. Bennett when you could treat one firm one way and another firm another way, and one commodity one way and another commodity another way. I am not going to go on and debate that point today because there will be opportunity to do so on the resolution and on the bill.

I have a number of other observations I wish to make. There is one great difference; at least Mr. Bennett was not ashamed of what he was doing. In doing it he did not pretend he was a Liberal; he came out honestly and straightforwardly and not in the sly, furtive manner which is so characteristic of the Minister of Finance in dealing with trade. The Minister of Finance, of course, has emulated Mr. Bennett in another matter. He is now threatening the British; he is now waving a big stick at Mr. Macmillan, who apparently is cringing somewhere in Whitehall, fearing to have any closer relations with Europe because of the tremendous threat of retaliation from Eglinton.

What else is the minister doing? He is saying to Mr. Macmillan, "If you do not play ball we are going to rush into the arms of Uncle Sam". That is a shorthand version of the minister's speech at Ste. Adele.

Mr. Fleming (Eglinton): It is an erroneous Pickersgillian version, with no resemblance to the facts.

Mr. Pickersgill: The hon. member for Halton talked about Liberal isolation; he talked about Liberal isolation in relation to the Leader of the Opposition, a man who, as much as any other man anywhere in the world, was responsible for the North Atlantic alliance. He need have no worry about the Liberal party leading this country into isolation, but I think we have every reason to worry about the Tory government leading this country into commercial isolation if it continues to follow the line it is following, both in this budget and in previous budgets.

Of course I do not think these made in Canada provisions were the main reason that we had a budget or indeed that we had a session before Christmas in which to have a budget. In one of those candid moments

which he reserves for his peregrinations about the country, the minister said something in Brantford which was quoted yesterday; but it is such a gem, sir, that I think I ought to quote it again. I have his text here as issued by the office of the Minister of Finance, press release communique division, something which did not exist before the present government came into office, and which I believe is priced at about $10,000 a year. I believe this is to give the minister a sense of humour. I would say that of all the expenditures of the present government this particular expenditure has been the most thoroughly wasted, sir.

In this speech the minister said:

> Parliament was summoned in November to permit early action on the government's program for meeting Canada's economic problems, chiefly that of unemployment.

Then he went on, you know, balancing the one thing against the other, and said:

> It is not in any sense an emergency session; there is no national emergency.

Well, sir, there may not be a national emergency in the mind of the Minister of Finance, but in that respect I do not think he finds himself in agreement with the country, and he certainly does not find himself in agreement with those of us who sit on this side of the house.

I am going to do something which I do not think I have done before in the house. I want to set out my views about the nature of this emergency, this unemployment emergency, and I am going to follow my notes fairly closely in doing so because I want to be very precise about what I am now going to say—

An hon. Member: More sensible.

Mr. Pickersgill: —in view of the tendency of hon. gentlemen opposite both to condemn and to pervert what is said on this subject from this side of the house—

Mr. Pallett: Written by the new P. R. man in the office of the Leader of the Opposition, no doubt.

Mr. Pickersgill: Perhaps the hon. gentleman would possess his soul in patience and see—

Mr. Pallett: A professional.

Mr. Pickersgill:

> Certain facts have emerged from this debate. They are now crystal clear. First, widespread unemployment is a stark, ugly fact in Canada today...
>
> The second fact is that people in this country are suffering when there are evidences of prosperity, when many people are enjoying the largest incomes ever in their experience.
>
> In the face of those facts we still have people in Canada suffering as a result of unemployment. There are people in Canada today who are going hungry as a result of unemployment. There are ruptures in family life that are occurring day by day as a result of unemployment. In the great urban centres where unemployment is acute it is the experience of all those connected with welfare, church or philanthropic work in any capacity, or of those who hold positions of public responsibility, that men are deserting their families deliberately because that is the only way in which their families can qualify for relief assistance.
>
> The third fact is that these large numbers who are out of employment today want work...
>
> They do not want hand-outs; they do not want cash given to them; they want work...
>
> The fourth fact is that Canadian resources are ample. The Canadian future is bright with promise. We have not too many people in Canada. We would make no contribution to the unemployment problem if we had fewer people in Canada today. In the midst of abundance, in the midst of surpluses, in the midst of evidences of prosperity, this ugly fact of unemployment continues.
>
> The fifth fact is that this is a special Canadian problem... The situation that confronts Canada is not one that is paralleled in any other comparable country. The situation is quite unlike that of the days of the depression which began in 1929, when the tide of recession, the tide of unemployment, the tide of depression, struck over the entire world. That tide engulfed countries regardless of their resources and regardless of their form of government; it engulfed them all.
>
> Sixth, the government has made no proposals to meet the problem of unemployment...
>
> Not one proposal has yet been made by the government in relation to this problem. The government has hitherto made no preparation for a situation of this kind.

Mr. Fleming (Eglinton): Why can you not tell the truth?

Mr. Pickersgill:

> But no preparation has been made by this government; it is a tragic fact...
>
> There have been ample warnings to bring about a sense of urgency to any government that had a sense of realism and sense of responsibility. It is quite apparent and deplorably manifest now that the government has made no preparation in advance to meet the type of situation which confronts Canada today...

I cannot go on, sir. I have three more pages, but every word I have just read—and I have read it, sir; I confess it— was uttered in this house in 1955 by the hon. member for Eglinton; every word.

Mr. Chevrier: Interrupting his own speech.

Mr. Pickersgill: I did not change one single word, sir, because I could not paint such a picture of gloom and doom as the hon. gentleman did on that occasion when, though at that time the unemployment was the highest it had ever been up to then since the end of the war, it was not much more than half as high as it is today, when the same hon. gentleman from the other side of the house says there is no national emergency.

Mr. Fleming (Eglinton): Hear, hear.

Mr. Pickersgill: What is the cure for this national problem? What is the cure offered by this government? An hon. gentleman says "water", and I cannot think of a better

description of the cure offered by the present government, but I think I will put it in slightly different terms, again in their own terms. The hon. member for Halton described the *Globe and Mail* as a neutral paper. I think perhaps it might be said that the *Globe and Mail,* while it is neutral with respect to the Liberal party all the time, has been driven into neutrality with respect to the government by the present government itself. I happened to be going out west, and while at Malton I bought a copy of the *Globe and Mail* for October 19 of last year. That was just the time when the P.C.'s, according to the *Globe and Mail,* were sharpening the focus. I hold up this paper for hon. members to see, because they will see here a picture of what purports to be the Prime Minister and the Premier of Ontario, and it certainly looks as though the focus needed to be sharpened.

What was the program to meet all these problems? What was the program to fight these things? The article by Mr. Godfrey Hudson has to do with a meeting of the Ontario Progressive Conservative association at which it is alleged they were not too keen to have the Prime Minister but to which he insisted on going anyway. He is quoted by Mr. Hudson as follows:

"We have just begun now to fight," he said in an apparent reference to the next election. Mr. Diefenbaker said the Conservatives would expand their information services.

Expand their information services. That is how you deal with unemployment; you expand information services. These are Mr. Hudson's words, of course, but I accept them as my own.

This is another way of saying that the government feels it has not been getting through to the public in the way it would like to and that it is going to try to relay its message with more telling impact. The image it wants is not in sharp focus.

There is a good deal more to the same effect. There is one gem here, sir, that I am sure you will appreciate, as will every member of the house:

Within the party there is a feeling that members of the cabinet have had to spend so much time learning the ropes that their public performances have suffered. They simply have not been able to get away from their desks—

This is the ministers—not able to get away from their desks. One thinks of "Oklahoma"; they have gone "about as fur as they can go".

They simply have not been able to get away from their desks often enough to do the kind of selling job that Conservative advisers—

Conservative advisers; Grosart and company.

—regard as necessary. The pressure of the familiarization process has now eased and Canadians may expect to see a more aggressive approach by the government in defending its actions and explaining its policies.

I suppose that explains these missionary journeys around the country recently. Then these words:

The party feels that the government has had a good program but we haven't sold it.

As a matter of fact, judging from a lot of evidence I think that is quite true. They have not sold it. A few days later the Prime Minister had his own meeting here in Ottawa, and he was still on this theme of more publicity. Then he spoke in Quebec, not to leave out any part of the country and in Quebec he said, as reported in the Ottawa *Journal* of December 10, 1960:

We have done ... things but failed to advertise. We are going to carry the message across the country.

In Ottawa he had said something that will not be forgotten by the people of the country for a long time. He said "You ain't seen nothin' yet". I thought that was true, sir, when I looked at the newspapers yesterday and saw the picture of that big fish. It is not a very good picture, not a very good technical performance, and when I first looked at it I thought it was an advertisement for Stanfield's unshrinkables. But, sir, when I looked at it again I saw that that was just the effect of the tropical light. I also thought this was not the only fish that the Prime Minister was trying to stuff. I got a sample of the stuffing as soon as I could, the stuffing for the big fish that the Prime Minister hopes to catch in another election, and I have it here. It is called "The Record Speaks". If I had been naming it I am not so sure that I would not have said "the record shrieks". In line with its contents I think perhaps that would have been a more appropriate title.

The most extraordinary feature of this little volume, sir, is that whatever other works of fiction may have been produced in this country in recent months, this one surpasses anything else. I only wish, sir, that I had the time and you had the patience to let me take it to pieces as it should be taken to pieces. However, I simply draw your attention to the inside cover before you even get to page 1. On the inside cover there are what purport to be unemployment figures for what appear to be certain selected years since 1936. When you compare these figures with the figures that the Minister of Trade and Commerce put on the record in answer to a starred question, which will be found on page 1026 of *Hansard,* you find that there is very little resemblance between the two sets of figures. Which is the truth, what the Minister

of Trade and Commerce told us in the house or these figures in "The Record Speaks"? I suggest, sir, that it is a shocking thing to produce something which purports to be a record, which the government that authorized its production are ashamed to put on the records of the house because they know it is fiction.

Now, sir, there is another measure of unemployment they give all unconsciously. In this beautiful summary on page 1 they say:

> The Progressive Conservative government has increased payments as follows—

Listen to these two instances, sir, and I will only give you two; unemployment assistance from $8 million to $40 million, up 408 per cent. Why is it necessary to pay four times as much unemployment assistance today as it was when we were in office? Why? Because there are at least four times as many unemployed; either that or the government is wasting money. I do not say there are four times as many unemployed, but I say there are four times as many unemployment needing assistance or the government is wasting money.

Mr. Fleming (Eglinton): You would not eliminate the threshold provision.

Mr. Pickersgill: The threshold provision would only account for perhaps $1 million of that.

Mr. Fleming (Eglinton): You are away out again.

Mr. Pickersgill: The minister had better go on and account for the other $28 or $29 million. Then they refer to unemployment insurance payments increased from $231 million to $415 million, up 79 per cent. Is unemployment insurance paid to people who are not unemployed? Surely this is the best evidence of the difference between the situation as it was and as it is.

If you want another measure of the fictional character of this work, not going beyond page 1, consider the state of the unemployment insurance fund. It is true that we had some seasonal unemployment, and in two or three winters it was quite serious when we were in office, but every summer and every autumn the fund was restored until it was full again. Now, in spite of the 25 per cent increase in contributions imposed by the government, the fund is nearly empty.

I could go on and quote a lot of other things, but there is just one other thing in this little pamphlet to which I wish to draw particular attention. That is a statement made three times, as found on page 17:

> And yet more than 80 per cent of personal income taxpayers continue to pay less than under the Liberal administration.

[Mr. Pickersgill.]

To support that statement the hon. member for Vancouver-Kingsway put a table on *Hansard* yesterday in which he carefully gave the rates for 1959 and not the rates for 1960. Why? This is just another of the fictions of the supporters of this government. The rates for 1960 were higher as everyone knows, they were increased by the old age security increase. Perhaps I should not say this table was calculated to give this impression—I do not know why it was put in if it was not—but it was different from the facts. When you take the extra old age security tax paid by every income taxpayer, when you take the extra 1 per cent on the sales tax, and when you take the unemployment insurance increase, every taxpayer in this country is paying more today than he was in 1956, except those who have lost their incomes because they have lost their jobs. Unfortunately there are far too many of them.

Mr. Fleming (Eglinton): That statement is hopelessly untrue.

Mr. Pickersgill: The minister will have an opportunity to make his own speech in his own time. There is a quotation in this document to the effect that the government of Prime Minister John Diefenbaker has accomplished more for the ordinary man and woman in Canada than any government in our history.

Some hon. Members: Hear, hear.

Mr. Pickersgill: This quotation is not attributed to anybody. There is no author given. However, there is only one man in Canada who, with a straight face, could say that and that is someone who never has anything but a straight face. It was not said by the Prime Minister, as many of you may have suspected. The Prime Minister has a certain sense of the ridiculous which would have prevented him from making this statement, although no doubt he was quite happy to have it made. There is only one man in the whole country, sir, I suggest, who would have had the immodesty, the effrontery and total lack of any sense of humour, any sense of proportion, to say that, and that is the hon. member for Eglinton (Mr. Fleming).

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, following the histrionic display we have just witnessed it is rather difficult to know where one should start or with what one should deal. Certainly the field is wide open, because the hon. member, having spent 10 or 15 minutes in castigating the hon. member for Halton for having dealt with the Liberal convention, then spent 28 minutes in dealing with an alleged Conservative handbook. There is, therefore, no question about what one may discuss in this budget debate.

The hon. member referred to the member for Halton and said something about the curate's egg which was only bad in spots. Certainly my hon. friend and his associates have had a lot of experience with bad eggs, so we will take his judgment on that at any time. I am not unmindful of the fact, Mr. Speaker, that it is a challenge to follow the hon. member who has just taken his seat, because he has not only progressed from the rank of statesman to a leading member of the opposition but he is now entitled to an award for Canadian fiction by virtue of the book which he has recently edited and published. It is on sale now, and I hope he is enjoying substantial royalties from its sale. His fictional ability, as exemplified in the editing of that book, has been demonstrated to a high degree by the speech he made this afternoon, which was fictional almost from beginning to end.

Mr. Pickersgill: Including the extracts from the Minister of Finance?

Mr. Fleming (Eglinton): That was the only respectable part of the speech.

Mr. Nowlan: The hon. member made a different approach to this problem from that which I expected. I thought when he came to deal with the budget he would deal with it seriously instead of on a fictional, partisan basis which was unworthy of the hon. member in dealing with such an important subject. He having blazed the trail, however, perhaps I can be forgiven for following along somewhat in the same vein.

Mr. Pickersgill: Two wrongs do not make a right.

Mr. Nowlan: The hon. member now having finished the display of his fictional ability, perhaps he will sit quietly and let me try to follow along. I cannot hope to emulate the high degree of fiction which he put into his speech, but at least I will try to deal with the facts and the record as it has been established and as it should be reiterated this afternoon.

The hon. member included some references to statements by the hon. member for Eglinton, the only serious reference in his whole speech, when he mentioned the matter of unemployment. As my colleague the Minister of Finance said a moment ago, that was the only part of the speech which was worthy of repetition in the house today. This government, Mr. Speaker, appreciates the problem of unemployment to just as great a degree as hon. members opposite. We know there is some unemployment in this country.

Mr. Martin (Essex East): Some?

Mr. Nowlan: Yes, some unemployment in this country. We know there are pockets of unemployment and that where unemployment exists, whether it is one individual, a family or a group of individuals, if it inflicts hardship upon people it is the responsibility of government to recognize that fact and, in conjunction with provincial governments, business and industry, to attempt to deal with it. I suggest, in that connection, that this government has done a very great deal. I suggest we have done more toward the solution of this problem than would have been thought possible or than has ever been done by any government in the past.

We discussed figures. My hon. friend has questioned the figures which apparently appear in this booklet to which he has referred and which I have not had the opportunity to scan. He knows that there are figures and figures dealing with unemployment. There are figures which have been used by hon. gentlemen opposite and which certainly were highly unrealistic. We have, for instance, a situation which I saw the other day when I was down in my own constituency. Years ago the fishermen came ashore in the fall, they worked in the woods or lived at home and milked the cow. They did work when they were ashore. Now the fishermen are unemployed and their numbers swell this great army of unemployed because they are drawing unemployment insurance. There are other classes who have been admitted to this group, so the group has been greatly increased during the last few years.

There are also, no doubt, a lot of people who are taking advantage of unemployment insurance and who are registering as unemployed. I had an experience the other day. I received a letter, and I am almost ashamed to say that it came from a constituent of mine. This person felt he knew me so well he started "Dear George". He said he started working last spring, worked all summer and last fall. Then he said "last week I went to the unemployment insurance office and asked for my unemployment benefits. What do you suppose they did to me, George? They offered me a job." He said, "George, why did they play this dirty trick on me? You have to do something about it." This is one factor in the unemployment situation.

Mr. Martin (Essex East): That is a very small factor.

Mr. Nowlan: I am not saying how large it is. I am saying that that factor is the only one not exaggerated by the hon. member when he tramped up and down this country bewailing unemployment, or when he tramped up and down before the television cameras in the Coliseum in his bid for the leadership of his party. Certainly, however, unemployment as he portrayed it is far different from

the actual figures. There is unemployment, and we have been doing and are doing everything humanly possible for a government to do. There is not one matter that was suggested in this great convention which the Liberals held last week, no specific statement or promise offered by the Liberals for dealing with unemployment, that this government has not already embarked upon. I challenge them to name one. They talk about slum clearance and sewage projects—

Mr. Pickersgill: Mr. Speaker, I wonder if the minister—

Some hon. Members: Sit down.

Mr. Pickersgill: —will allow me to accept his challenge. To accept his challenge I will name one right off, and that is to pay 90 per cent of the cost of completing the trans-Canada highway in the Atlantic provinces.

Mr. Nowlan: Ninety per cent of the cost to complete the trans-Canada highway in the maritime provinces will make no great contribution to resolving the problem of unemployment; none whatsoever.

Mr. Hellyer: There were lots of things. You should have joined us and you would have learned something.

Mr. Nowlan: My hon. friends on the one hand talk about cutting taxes to encourage employment. How much of a tax cut are we going to get; $50 million, $100 million or $200 million? It must be a very substantial amount if you are going to increase employment. Yet at the same time they say they are going to spend money on public works. They say there will be a tremendous expenditure on public works. How do they reconcile these two? These are like Grimm's fairy tales that little children read when I was a boy—I did, anyway—and I presume they still read them. Even Grimm's fairy tales could not compare with the Liberal platform that was drafted last week at this convention. There is no doubt whatsoever about that.

They talk to us today about unemployment and the solution for unemployment. I would like to see something produced in that direction. The hon. member talked about this special session of parliament, as he called it. He talked about the budget, and suggested that there was no reason whatsoever for dealing with this matter.

If there is unemployment in this country today—and there is; I admit that—where does the responsibility lie? My hon. friends opposite talk about the failure of this government—the government on your right, Mr. Speaker—to deal with the problem. I have an authority which I am sure will meet with the approval of the hon. gentlemen opposite, because this gentleman has never been recognized as a great friend of this government. He is certainly not a political supporter of this government in any way, shape or form. Certainly in his talks, in his writings and in every reference he makes he usually criticizes this government and the Prime Minister. As we know the Liberals, in searching around for remedies somewhere or other, first had a convention of liberals with a small "l", and that was so discouraging that they decided to hold one last week for Liberals with a capital "L".

At the convention for liberals with a small "l", as one of their speakers they had Mr. Michael Barkway, who is the head now, I believe, of the Toronto *Star* bureau here in Ottawa. He is one who has been associated, as I have said, in his writings and talks with criticism of this government. I am sure he is one whose judgment my hon. friend the hon. member for Bonavista-Twillingate and others will be very, very happy to accept. I could quote from various statements which he made before this Queen's University convention which met last fall. This is one thing he said. He was speaking about economic conditions and about the aberration, the insanity which characterized Canada, at least since 1950, and the results of it from 1950 to 1957. He said:

> This places a heavy responsibility upon the Liberal party, which will not be easy to discharge because the Liberals are so closely associated with the Great Aberration of the 1950's.

Mr. Pickersgill: That was a boom.

Mr. Nowlan: Then he said:

> Nowhere in Canada have I heard any serious suggestion that the party has a better leader in sight than Mr. Pearson. But I have several times heard it said that the party cannot win public confidence until it has a leader completely disassociated from the old regime.

That is not a Tory speaking, Mr. Speaker; that is not someone—

Mr. Pickersgill: Nor is it a Liberal speaking.

Mr. Nowlan: —who is sympathetic toward this government. This is a man addressing a Liberal convention, and I must say I admire his courage and I also appreciate his judgment in speaking as he did to that convention. Then Mr. Barkway went on:

> It would be a ghoulish task to try to catalogue the dismal illusions and failures of the later Liberal years. They would fill a book—a history of the 1950's, which badly needs to be written.

Perhaps the hon. member, with the same fictional qualities he portrayed in editing a book the other day, might rewrite this history. Then Mr. Barkway says:

> But for the present purpose it is vital to indicate some of them which hang like millstones around the party's neck.

And he identifies four millstones, dead horses, and so forth. Mr. Barkway then says:

> This record of wilful blindness is the first of the millstones around Liberal necks.

My hon. friend referred to tariff protectionism and objected to what we were going to do in this amendment—I took him to mean the amendment to "class and kind" in the act. He said that we were going backward in this respect. History always repeats itself when Liberal members speak, because they are playing the same record over and over again. I am reminded of the speeches which hon. members made when you, Mr. Speaker, were in the chair two years ago. They said, when we brought in amendments to the Customs Act—that is, the hon. member for Bonavista-Twillingate, the Leader of the Opposition and I do not remember whether or not the hon. member for Essex East participated —that we were doing a horrible thing; we were going to raise tariffs as high as Haman's gallows. It was said that we were going to invoke this section and we were going to wreck Canadian trade.

We have not had any of these things happen despite the dismal gloom and doom prophesies of my hon. friend. They indulged in the same prophesies, of course, in connection with the C.B.C. when we brought in that act. We were going to wreck the C.B.C.; we were going to make it a political creature; that is what we were told.

We are getting the same spectre again this afternoon, the threshing of old straw and the repetition that we are going, by some tariff action, to revive the days of Bennett. This is the terrible thing that they hold in front of us all. But a worse thing would be to revive the days of the St. Laurent government; I do not think there is any question about that. I do not think the people of Canada are going to revert to that type of government for a long time to come.

With reference to tariff protectionism, this is what Michael Barkway says:

> It is simply unrealistic nowadays to think in the simple theoretical terms of protectionism versus free trade. We might as well debate transubstantiation versus consubstantiation. It is, therefore, distressing to find educated Liberals—

I include my hon. friend very freely in that category:

> —reverting to the ancient familiar stereotype like an old friend with whom they feel at home. Their beloved bogey of protectionism is really one of the most puny and least terrifying of the hallowe'en apparitions which prevent us from tackling our real problems in the light of day.

As I said, that is not the statement of a Tory; that is the statement of a friend of the Liberal party who was giving friendly advice, which I regret to see was not accepted, when he appeared before the Queen's University convention last fall and suggested to the Liberals how they might rectify the situation, which apparently they failed to do.

I think the only parts of the hon. member's speech which deserve comment are those matters referring to protectionism and the unemployment problem. The rest was simply making publicity. I am glad to see that he did it and I hope everybody reads that booklet—

Mr. Pickersgill: So do I.

Mr. Nowlan: —because it is authoritative, it is objective and it is factually correct, and I am sure that if we could get it into the hands of every person in Canada, come the next election the hon. gentlemen will find that the decimated ranks which they have today will not be increased. They will find that this government will be returned with a bigger majority than it has at the present time.

I am not going to deal with figures with respect to unemployment, or the moneys to be paid out. I am not going to deal with the 200,000 or thereabouts who are employed in the winter works program and the measures which the Minister of Finance brought down in the budget the other day; the applications which are coming in for the construction of residences for universities; the municipalities writing in with respect to obtaining loans for the construction of sewage disposal plants, or the score of things which are being done by the Dominion of Canada, in co-operation with the provinces, in order to give an impetus to construction. We are giving leadership, we are providing employment, and we are going ahead to build a better Canada than we have ever had before. The Minister of Finance will, I imagine, be dealing with this matter before this debate is over. He can go into the details. I do not intend to transgress in his field. In addition, the Minister of Labour will undoubtedly be dealing with this.

As I said, there have been references to the great convention, the great gathering, the great assembly, one of the greatest television shows we have seen for a long while, and perhaps I can refer to that for a moment or two before I sit down. As I said, it is a strange thing. They talk about new faces. They talk about young blood. It is true there was youth there. We saw the pictures of very fine looking youths in the television cameras. Some of them looked so intelligent that when they are a little older they will undoubtedly join the Conservative party. Hon. members will remember the words which were once used by an English statesman, that there was something wrong

with any young person in Britain who was not a socialist at 21, because he lacked sympathy, he lacked heart, he lacked other characteristics which every young person should have. But, at the same time, if he was not a Conservative by the time he was 30 there was also something wrong, because he lacked intelligence. I am sure this will be the pattern followed by many of the young people who were shown on television the other night.

But there is a tragic aspect to this talk about a new program and the great new light that is to be thrown on our affairs. What do we get? We get the same old hackneyed story; reduced taxes and increased expenditures. This has been the solution used by every opposition party throughout the years, including our own. It has never worked yet, and it will not work with those young people we saw before the television cameras the other day. As far as unemployment or a constructive program are concerned, there was not one thing which has not been advocated and carried out by this government.

There was one thing that was different. There was the situation with respect to national defence and the NORAD agreement. I wonder who was the secretary of state for external affairs before June, 1957? I wonder who carried out the negotiations with the government of the United States in Washington with respect to these matters? I wonder who did not sign a treaty until after the election because they did not want to bring it down before, and then something happened and they did not win the election?

I should like, then, to put this question; and I admit that I am being guided by speeches which were made rather than by the resolution, because I can honestly say I have not had an opportunity of reading all the resolutions which were passed or discussed. In this regard I think I am in keeping with the mass of the Liberal delegates, who have not had a chance to read them either, most of them having been swept under the rug or handed over to the policy committee presided over by Mr. Gordon. The Leader of the Opposition, in refering to NORAD, said that we could man the radar screens but that we certainly could not do any shooting. So apparently the R.C.A.F., with their glorious traditions, are to become bird watchers. They can sit and watch the birds go by; they can count the birds, but they must not do anything more about it. If that is to be the role of the R.C.A.F. I suggest this part of the Liberal platform will not ring a bell too loudly with members of the armed forces.

The Liberal party has obviously tried to outflank the so-called New Party which proposes to come into this house as a result of the marriage of the C.C.F. with the new group. They tried to outflank it by moving further to the left.

An hon. Member: Impossible.

Mr. Nowlan: The hon. member says "impossible", but that is not for me to say. But how can they outflank it? They have the same old generals. They have Gordon and they have Sharp and they have Drury and they have MacKinnon, and these and others have been the wheelhorses of the Liberal party, official and unofficial, for many years.

Speaking of wheelhorses, I think the hon. member named the gentleman who has been the publicity director for the Conservative party. Every once in a while I hear about the Madison avenue techniques employed by the Conservative party and what a terrible thing that is, a Madison avenue technique. But hon. gentlemen opposite, when they were in power, had a representative of one of the largest advertising firms in Canada, Cockfield Brown and Company, permanently retained at Liberal headquarters, at hand to keep them out of trouble. That is one reason hon. members opposite stayed in power during the terrible fifties that Mr. Barkway referred to. There is no Madison avenue technique as far as this government is concerned.

I noticed headlines during the first part of the convention stating that the Leader of the Opposition wanted a policy, and that he had brought his followers together to create a policy. Well, I think I can give him a policy, and I am thinking of what Sir Winston Churchill once said about blood, sweat and tears. There certainly was enough political blood shed by the Liberals in 1957. The carcasses and corpses of their defeated were lying all over the field of battle, and some of them have not been interred yet, which I think is a matter of regret for the Liberals. When it comes to sweat and tears, I suggest it is humility that is needed here.

That is one quality which hon. members opposite need to acquire. They are defeated, and at once they assume that Madison avenue had something to do with it; that there was some legerdemain on the part of the Prime Minister which unfortunately pushed them out, and the people of Canada are now sorry for it and want to restore them. They forget that the people of Canada kicked them out because they were sick and tired of their policies, and hon. gentlemen opposite have not shown any sign of reform yet. Certainly the conference did not indicate that there had been any change. The same old faces were in charge, and though there were some young ones present perhaps I could describe

the situation by saying that the voice is the voice of Jacob but the hands are the hands of Esau.

Mr. Fleming (Eglinton): Esau Pickersgill.

An hon. Member: What a pun.

Mr. Pickersgill: The revised version.

Mr. Nowlan: I was quoting from the old version, not from the revised version which is coming into play today.

When one reviews everything that has been said so far, one finds there is nothing which has been advocated or suggested which is in any way sharp or clear cut. They use words. One thing is sure; they cannot possibly talk about deficit financing now, because one minute we heard talk about the spending of huge sums of money and in the next we heard about the lowering of taxes as a stimulus to employment. There was a very cautious pronouncement: "We will not oppose consideration of the red China question." Then there was a daring promise of free education at all levels, without much respect for the British North America Act. Then again there was one resolution in favour of scholarships, bonuses, bursaries and loan funds; this at the same time as the promise of free education at all levels. You pays your money and you takes your choice.

I understand that reference has been made to a flag that is going to have a green maple leaf as the symbol of national unity. This is the safeguard, of course. It is going to be brought in within two and a half years after the election of a Liberal government. Well, the little maple leaf, in the words of the poet, will be sere and yellow instead of green, because I venture to suggest that many long years will elapse before a government represented by my hon. friends opposite will come into office to establish for us the flag with the little green leaf.

We on this side of the house are all very glad that our Liberal friends had a noisy and well attended convention. Their spirits were low and they needed encouragement. We know what that is like, because we went through it for 23 years and we have no doubt that they will undergo this experience for a longer period than we did. In the words of Joseph Howe, I am neither a prophet nor the son of a prophet, and I have always followed Joseph Howe's advice in that regard. Nevertheless I venture to predict that no one sitting on the front benches of the party opposite today will ever again sit on the treasury benches in this house.

I will admit that is a prophecy, but I feel it is a very sound one. Personally I like hon. gentlemen opposite. They are amiable gentlemen, estimable characters, charming fellows and pretty good citizens. No doubt they will learn in time and mature, and some day they may become a fairly effective opposition. For that reason we welcome the fact that they had this great and noisy rally attended by young people. They made lots of noise and thoroughly enjoyed themselves. Even if they did sing "For He's a Jolly Good Fellow" and upset the whole show, that was enthusiasm. We have all seen those things happen at political gatherings, and I am sure the delegates were delighted to see such enthusiasm.

We on this side of the house also believe in the two party system. We believe there should be two parties in this country and only two parties. Actually we want to see the two party system strengthened. We would like to see hon. gentlemen opposite mature to the point where they could effectively discharge the responsibilities of opposition, and perhaps even some day in the dim and distant future they will again become the government.

After all the noise and applause it was rather disappointing to hear the same old statements made about lowering taxes and increasing expenditures. They spoke of a lotus land where honey dripped from every tree. All you have to do is elect the Liberals and I suppose that even the water itself will be flavoured by some delightful concoction of liqueur and will taste more pleasant than the water that now comes out of the taps in the city of Ottawa. That was the illusion; that was the dream picture; that was the effect and the sum total of the Liberal convention after three days.

As I said, we congratulate hon. gentlemen opposite on their success in terms of the noise that was made, and we hope that as years go by they will enjoy success of another kind. I understand they will be meeting again in a year's time and perhaps on that occasion we will be able to congratulate them on having achieved some degree of maturity and judgment in terms of drafting a platform.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, I should like to deal with only one of the points made by the minister who has just spoken. In the first place, he was surprised that at one point the hon. member for Bonavista-Twillingate (Mr. Pickersgill) saw fit to criticize certain aspects of past Liberal policy. This does not prove very much except that the Minister of National Revenue (Mr. Nowlan) is truly a dyed-in-the-wool Conservative. He cannot look back upon the past with a critical eye. Therein lies the difference, for we, members of the Liberal party, can look back upon the past in order to seek guidance for the future. If our party has made mistakes in the past, we are not afraid to admit it, because we are conscious of the fact

that man is a finite being and that in this world nothing is essentially good and nothing is essentially bad.

This is why I feel I can say the same thing about the baby budget, for it contains some things that are not bad, but the greater part of it is not acceptable to most Canadians. For that reason, when the hon. member for Bonavista-Twillingate referred to past events, I was in complete agreement with him.

As I was saying during the Liberal convention last week, I feel that in the Liberal party, we have to be radical and daring. That, incidentally, was one of the failings of the former party, in my view. I felt it was not radical, and was not seeking, through effective action, to develop our policy in tune with the changing times. The minister was wrong in raising that point, and I take this opportunity to congratulate the hon. member for Bonavista-Twillingate for having had the courage to speak his mind, as he does at all times. I commend him for having done so in this case.

Mr. Speaker, reference has been made to the baby budget. It is indeed that, because it does not seem to have reached maturity; or is it the party that submitted it that has not reached maturity.

In the first place, was this budget necessary? This is a question which is on everybody's lips, and not merely on those of the hon. members who are sitting here on my left. In fact, I am convinced that if we could read the minds of all the hon. members of this house, we would find that several Conservative members too are wondering whether this budget was really necessary. They are wondering how it can help relieve the present situation. For my part, I say it was not necessary at all. It only served to prove that the party in power, the government, the Prime Minister (Mr. Diefenbaker) and the Minister of Finance (Mr. Fleming) have all shown a lack of foresight during the three years they have been administering the affairs of this country.

The only thing this budget has offered the Canadian people is the evidence that, when the Minister of Finance made his budget speech on March 31 last, and predicted a $12 million surplus, he had not foreseen the possible difficulties and, while there was no actual prospect of a $12 million surplus, he nevertheless was proud to announce one.

When I took part in the debate, I said that despite the statement of the minister, if he wanted to replenish the unemployment insurance fund, he would create a deficit of at least $300 million. However he denied it at the time. On March 31 last, the minister said

an extraordinary surge was taking place in the economic forces of the western world, to which Canada was vastly contributing.

It is true that there has been a revival in the western world, and in Europe. There has been a new movement there. And what has this country done about it?

We have seen some European countries form a common market in order to strengthen their position and to develop their market so as to dispose of their surplus goods and avoid a possibly imminent depression.

And here we were silently looking on while this transformation was taking place.

The minister and his colleagues did not choose to look into the situation and see whether, on this side of the Atlantic, an organization of our markets would not contribute to rid us of our surpluses. Nothing was done. They remained mute before the facts.

The countries of Europe are prospering, and Canada is not. I have been to Japan. It is enjoying a remarkable prosperity. However there is nothing of the sort in Canada. Why? Simply because the administration is bad.

Mr. Georges Valade (St. Mary): How much do the Japanese pay their workers?

Mr. Caron: Mr. Speaker, some time ago, England proposed, or rather suggested, that we establish a free trade area, the first time at St. Adèle, during a meeting, and on another occasion, at some place the name of which has slipped my mind.

When the British minister spoke of a free trade area, did Canada stop and think about the setting up of such an area, which would help our foreign trade? Not in the least. Canada did nothing, it did not budge. We did not even set up a royal commission, as is generally done, to examine the situation.

Mr. Speaker the budget submitted to us showed an unheard lack of foresight. If we look up the minister's statements, we find the proof thereof.

This is what the minister stated on January 11, at the Canadian Club in Toronto with regard to the budget submitted on March 31:

> The Canadian economy is in a period of pronounced expansion. We welcome this development. But we would not like to see it degenerate into a short-lived wave of prosperity which might result in an inflationary trend.

Just imagine, Mr. Speaker, the minister stating in January 1960 that he did not want an evolution which might degenerate into a prosperity he would have some difficulty in stopping.

> What we want most of all, is an orderly expansion without inflation. That is the aim of our policy in this year of development 1960.

Those were the statements the Minister of Finance made on January 11, 1960. He was afraid that prosperity might escape him, that it might expand to a point where he could not catch up with it.

Was that his only statement? No, Mr. Speaker. Let us read the New Year's message of the Minister of Labour (Mr. Starr) on December 30, 1959:

> Prospects for the coming year fill us with confidence.

At the end of 1959, or at the beginning of 1960, he saw everything through rose-coloured glasses; everything was fine. The Minister of Labour was confident with regard to the future. It was a mistake to nurture this belief and not to see that a stop be put to the wave of unemployment we are experiencing today.

Further on, we see that the Minister of Trade and Commerce not the present minister, but his predecessor—stated on December 28, 1960:

> In the past, the accelerated rhythm has quickened again, and the main economic factors at this time indicate renewed expansion. The international economic climate seems very favourable at this time.

At the end of 1959, the Minister of Trade and Commerce foresaw great prosperity throughout Canada in 1960. And what did we have? Distress, ever and always unemployment. Plants are only working a few days a week, as they are unable to get rid of their surplus production. And this is what the Minister of Labour said, on page 512 of *Hansard*, of January 29, 1960:

> And what about recession? Everybody knows that it is over.

Again, at the end of January 1959, the Minister of Labour stated:

> Everyone is agreed that the recession is over.

Is that the statement of a responsible man, of a man who is studying the economic reports submitted by government experts? Those reports have simply been shelved and now they come back to the old rigmarole.

Further on, as we may see on page 1701 of the official record, the Minister of Labour said:

> It is not only the government that claim that the recession is over... I am very much surprised that the only people I hear expressing contrary points of view on this matter are the opposition in this house.

He was surprised to see that members of the opposition who although they lacked the same research facilities as the government were the only ones who knew more about what was to happen than they themselves knew in 1959.

May I quote the statement made by the Minister of Finance on March 31, last, in his budget speech, and which we find at page 2670 of *Hansard*:

> I am confident that employment will rise as the coming of spring opens up new job opportunities and as the economy continues its upward trend.

That is what the Minister of Finance said on March 31 and what happened? He was forced to change his statement because of his lack of foresight and to tell us that instead of a $12 million surplus he had forecast, he would have a deficit of some $300 million.

I could go on like this almost indefinitely, and quote the ministers who took turn in showing lack of foresight.

No mistake about it, none so blind as those who will not see. They do not see, Mr. Speaker, but tomorrow they will see that the Liberal party will form the next government of this country.

After the budget was presented, Mr. Speaker, I ran across an industrialist who told me that that very night he had made a $3,500 profit as a result of the changes that were made. I asked him if he intended to distribute those $3,500 among his employees. Here is his answer: "Not at all; they are all members of the union; they are being paid good wages".

That is what he said. For the little men, nothing at all. The profits go to average and big industrialists. Besides, we notice this tendency of this government to help the big fellow. When we discussed the combines act, the government did even more to help the big fellow at the expense of the little man; the industrialist is given the powers of judge and master of the whole situation; if he thinks somebody has done a certain thing, he does not even have to prove it.

This is the way the Conservative government has been running the country since 1957, and that is why we are in such a fix that the people of Canada regret the mistake they made and are anxious for an opportunity to rectify that mistake.

What is left to the public? What is being done for people who are in need, for the unemployed? Nothing. Has the government tried to reduce interest rates so that construction may pick up and create employment? Not at all. Has there been any attempt to reduce taxes to put more money in circulation, to revive the economy of this country? Not at all. This government is doing nothing at all.

Mr. Speaker, I have here some opinions of certain people who are independent from the government and who have carefully listened to the budget speech.

In an editorial published in the *Journal* of December 21, 1960, Mr. W. E. Currier said:

(Text):

Eric W. Kierans, former economics professor now president of the Montreal stock exchange, said the budget cannot be expected to produce the economic growth Finance Minister Fleming wants.

(Translation):

A little farther on, there is an article by Mr. Rudy Usick—

(Text):

Rudy Usick, president of the Manitoba farmers' union, said, however:

"The government's trend towards higher tariffs is continuing. We cannot expect to increase grain sales to other countries by making it more difficult for them to sell goods to us."

Dr. A. M. McLeod, economist of the Toronto-Dominion bank, described them as relatively mild measures that would have little effect on investment by Canadians. The budget would not likely do much to reduce Canada's balance of payments deficit.

British Columbia finance officials said the increase in the withholding tax on Canadian bonds owned by foreign investors will "effectively raise interest rates"...

Frederick G. Gardiner chairman of the council of metropolitan Toronto, also felt the budget's effect would be to increase interest rates on municipal borrowing...

G. Arthur Lascelles, Toronto metro finance commissioner, said there simply isn't enough money in circulation in Canada to satisfy all borrowers. H. A. McDiarmid of Vancouver, president of B.C. division of the Canadian Manufacturers' Association, commented that if the budget tends to slow investment from the United States, business may also be slowed ...

Karl E. Scott, president of Ford Motor Company of Canada Limited, said he hopes the government is not passing legislation that will be detrimental to the advancement of Canadian companies controlled in other countries.

(Translation):

Mr. Egan Chambers (St. Lawrence-St. George): Mr. Speaker, may I put a question to the hon. member?

Mr. Caron: I cannot spare the time; I have only got half an hour.

Mr. Chambers: May I—

Mr. Caron: I said no.

(Text):

Mr. Chambers: On a point of order, Mr. Speaker, may we know from what the hon. member has quoted?

Mr. Caron: I said so when I started and if you will read *Hansard* tomorrow you will know what it is.

Mr. Chambers: What document?

Mr. Caron: It is from an Ottawa *Journal* survey of those who were interested in the budget.

Mr. Martineau: What date?

Mr. Caron: Wednesday, December 21, 1960.

[Mr. Caron.]

(Translation):

Mr. Caron: Mr. Speaker, I usually listen to the speeches of the hon. members across the floor without interrupting them; and I hope that they will show me the same courtesy and allow me to go on with my remarks.

I have here another editorial from the *Gazette* of December 21, 1960 of which I shall quote only one sentence, because time does not allow me to read a longer quotation:

(Text):

It might be said that such measures might better have been presented in the budget last spring, where their effect might have offset some of the subsequent economic decline.

(Translation):

Now this newspaper is certainly not known as a supporter of the Liberal party.

Unfortunately, time passes quickly. I shall probably not have enough time to show how Canadians across the country reacted to this budget, but I should like to quote the following which Mr. Norman Campbell wrote in the Ottawa *Citizen* of December 21, 1960:

(Text):

The baby budget generally was soundly conservative in the classic sense of the word. As we understand conservative economic theory it is that if the economy generally is healthy then the benefits will distribute themselves to the population generally without specific transfer payments to individuals.

(Translation):

That is indeed the attitude shown by the Conservatives. A Conservative government, according to its theory, believes that prosperity must come from above rather than from below.

There has been an attempt to spread benefits among the wealthy of this world in the hope that it would fall back on the mass like a gentle rain; that is where the Conservatives are wrong.

Mr. Speaker, here is now a headline from the newspaper *Le Droit*, of Ottawa:

Budget no Christmas gift: Program to help the industry of this country.

And in the same newspaper *Le Droit* of the same date, that is December 21, 1960, Mr. Jean Taillefer wrote:

A budget for businessmen.

Once again the big fellows were not forgotten but no one gave a thought to the small man. If at least, there had been a tax cut on cigarettes.

Those are some of the objections which could be heard among the general public, Tuesday night, after the Minister of Finance (Mr. Fleming) brought down the supplementary budget.

Then again we can read in the *Gazette* of December 21 an article written by Arthur Blakely in which he said:

(Text):

Economic Self-reliance Target as Canadian Business Aided. Fleming Impresses Himself.

(Translation):

That is the view expressed by this openly Conservative paper about the present minister.

I could go on and on like this quoting newspaper articles from responsible editors who give serious thought to such matters. But I see that my time is running short. Allow me to say, however, that on leaving this house, we wondered how we should describe the baby budget. As he was leaving the house on budget night, a young man said: "It is a bubble gum budget." That would no doubt be a proper expression, as the hon. member for Roberval (Mr. Tremblay) would say. It does really describe the budget. What is bubble gum? Something that is chewed, that is blown out and then gets you all sticky. That is what remains of the budget.

Mr. Tremblay: It describes Mr. Lesage's budget.

Mr. Caron: The hon. member for Roberval is often sticky.

Mr. Tremblay: It is an accurate description of Mr. Lesage's budget.

Mr. Caron: Mr. Speaker, what is provided in the budget for the unemployed? Nothing at all. Nothing in the budget is likely to help the jobless right now.

Oh, I admit that there are certain long term measures which could pave the way for things to be done in two, three, four or even five years. But we find absolutely nothing to deal with the present situation.

Here is an excerpt taken from an editorial which appeared in the *Gazette* on December 8, prior to this baby budget:

(Text):

In the same way—

(Translation):

They were saying that the Liberals were responsible for the unemployment situation, adding:

(Text):

In the same way, the Progressive Conservatives, now in power, will be weighed in the balance, not on the dismal argument whether they brought the depression in with them, but whether they are prepared to take the measures that the new conditions demand. Emergency measures are all very well in their way, as a provision of immediate relief. But the real test is whether the tax structure, and the economic policies generally, can be remoulded in time to give Canada a sound economic footing in a world that is far rougher to walk in.

(Translation):

This accurately describes the situation. The government is judged not by what it says but by its actions. So far, this government has not done anything. Yet for the past three years we have spent our time telling the government what to do and how to do it. In fact, at one time the hon. member for Essex East (Mr. Martin) has indicated no less than ten measures and we have repeatedly recalled at least twenty five such measures but the minister always came back with the same answer: we have no unemployment problem. This is only temporary. Come spring and the sun will take care of it all.

The government has always refused to hear the real facts and it has always shut its mind to it, which explains our record unemployment. If the Liberal party had not established the unemployment insurance to relieve the distress of the people, we would be worse off than we were under the Tory government of 1930-35.

Mr. Speaker, the minister says that there is an end to everything and that everything will turn out right. We say that there is no ending in sight and that nothing will turn out right unless the government has courage enough to take such actions as will help to correct the situation.

Liberals are accused from different quarters of going about carrying mourning bands and of being calamity howlers. The Associate Minister of National Defence (Mr. Sevigny) was saying somewhere near Montreal that unemployment was a Liberal legacy. And that, after three and a half years. He is now speaking like Mr. Bennett in 1934. Well, if unemployment has been inherited, are they not intelligent enough and have they not the qualified men to find a solution to this problem that faces Canada today?

When in Canada the number of unemployed increases, and the increase is tremendous—I see some hon. members smiling, for example the hon. member for Roberval (Mr. Tremblay) a man of letters but a lesser mind—

Mr. Tremblay: The hon. member for Hull knows enough to spell the word stupid.

Mr. Caron: What is there to say about that statement from the Associate Minister of National Defence which is as childish as the one from the Minister of Trade and Commerce (Mr. Hees) who said that, after the convention, the Liberal party would be ready to take the New Party's place. Newspapers, even Conservative newspapers, answered him that it was all nonsense. What a way to work at correcting the situation.

As you know, Mr. Speaker, a Conservative government means poverty, unemployment, tottering economy. As the English say: "Conservative times, hard times". It is always the same thing.

I was reading recently, what Sir Wilfrid Laurier said in 1871 in the Quebec legislature:

> Does the picture outlined to you, he says, really correspond to the facts? I cannot accept that point of view. It is said that we are rich and prosperous. Are we really so? Ask all classes of society: merchants, bankers, retailers, professionals, farmers, simple workers, and everywhere without exception you will note some discomfort, some uneasiness, a state of suffering and dullness denoting there is something wrong somewhere . . . That is the truth! Blind are those who do not see it! Guilty are those who, seeing it, do not admit it—

That is the truth. "Blind are those who do not see it. Guilty are those who, seeing it, do not admit it". That is the present situation of the Conservative government. Blind are those who do not see, guilty are those who, realizing what goes on, do not take the necessary steps to alleviate the situation.

I say that this government is guilty, as seldom any government has been in the past. Guilty, because we still have, as in 1871, a depression under a Conservative regime, as was the case in 1896, when Sir Wilfrid Laurier came into office, a depression such as we have known under the Bennett regime, in the 30's, with soup kitchens on street corners, and such as we have known since 1957.

Will these people on the right some day open their eyes, will they ever try to bring in the necessary remedies to improve the situation? Will they open their eyes once and for all, at least to take into consideration the suggestions we have been offering for the last three years? Or else, are they going to keep on making extravagant statements as they have been making in 1957, 1958, 1959 and 1960, when they were always saying that prosperity was just around the corner, while we never saw the sight of it, instead of putting money in the people's pockets, while unemployment increases and misery prevails all over Canada.

The Acting Speaker (Mr. Flynn): Order. I regret to interrupt the hon. member, but his time has expired.

(Text):

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have followed with considerable interest the course of this debate and have heard what has been said by the speakers from both sides of the house yesterday and today. The unfortunate part about speaking at this stage of the debate is that the five speakers who have already taken part in the debate on behalf of the government have, with convincing arguments and deadly logic, demonstrated beyond doubt that the supplementary budget introduced by the Minister of Finance (Mr. Fleming) is one that is needed at this time, one that is tailored to meet the requirements of this country. It is a budget which is replete with statements of the intentions of the government to improve the economic condition of this country, thus adding even more lustre to the name of this government.

I would have thought, Mr. Speaker, that after the events of the last week, to which reference has already been made by other speakers, the members of the official opposition would have come in here stripped for action and, figuratively speaking, with their fangs dripping with blood. I would have thought we would have had some valid criticisms to meet. I say this because the only criticism I have heard advanced by the last speaker was nonsense rather than factual. I prefer to make reference at this time to a statement made by the hon. member for Vancouver East (Mr. Winch) yesterday, in which I think he wrongly criticized the hon. member for Carleton (Mr. Bell) and the hon. member for Vancouver-Kingsway (Mr. Browne) because they, in turn, had levelled factual and proper criticism at those members of the opposition who had spoken in this budget debate.

Mr. Speaker: Order. It now being five o'clock the house will proceed to a consideration of private and public bills, the former having precedence pursuant to section 3 of standing order 15.

PRIVATE BILLS

AURORA PIPE LINE COMPANY

Mr. Gordon Chown (for Mr. Woolliams) moved the second reading of Bill No. S-2, to incorporate Aurora Pipe Line Company.

He said: This is a bill in standard form to incorporate the Aurora Pipe Line Company. The counsel for the company in Ottawa has prepared a brief statement which sets out the degree of ownership and several points of interest to the house, and which I will put on the record in order to save the time of the house and because I am acting for the hon. member for Bow River who is unavoidably absent at this time.

This petition to incorporate Aurora Pipe Line Company is in the standard form of such bills with which the house is familiar. The proposed company would be subject in all respects to the usual conditions set forth in the National Energy Board Act and its operation would be regulated by the national energy board.

It might be of assistance to the house to outline briefly the background of the sponsors of the petition and the immediate project which they have in mind should it become incorporated and should it be successful in

obtaining the approval of the Alberta oil and gas conservation board and the national energy board.

The petitioners are two vice presidents and chief counsel of Hudson's Bay Oil and Gas Company Limited which is sponsoring the application for the new company. Hudson's Bay Oil and Gas Company Limited was established in 1926 and is the second or third largest natural gas producer in Canada and the fifth largest oil producer. It has invested more than $125 million in the exploration for and development of the oil and gas resources of western Canada. In common with other producers, it is vitally concerned with the problem of orderly marketing of the products which will be produced in association with natural gas.

Approximately 10 per cent of the shares of the company are held by 12,000 public shareholders, 22 per cent are held by the Hudson's Bay Company and 68 per cent by Continental Oil Company. Notwithstanding the disparity in shareholdings between the two companies, an agreement provides that they shall have equal voting power. The shares of the company are listed on the Toronto stock exchange and are available to Canadian investors.

The project in which the company is immediately interested is designed to assist a solution of a problem which is now arising in the province of Alberta as a result of the large increase in natural gas production consequent upon the expansion of sales under recently approved large scale exports of natural gas. In the wet gas fields, which form a major source of supply for the newly approved gas exports, condensate is produced in association with natural gas and must be separated from it. It is actually a high quality crude oil. Since condensate inevitably will be produced as a by-product of natural gas, it is obvious that new markets must be found for it in order to avoid distress selling and, equally important, the displacement of western crude oil in its present markets.

The Hudson's Bay Oil and Gas Company has advanced its project already by application to the Alberta oil and gas conservation board as a solution for this important marketing problem. It proposes to construct within the province of Alberta a pipe line system of approximately 41 miles, costing $1,600,000 which would take condensate from three important gas fields in southwestern Alberta, namely Pincher Creek, Waterton and Lookout Butte.

The condensate would be delivered through the proposed federal company across the international boundary to an extension of Continental Pipe Line Company's system which would be built from Cut Bank, Montana. The condensate would be delivered through Continental Pipe Line's system south to a connection with the Platte pipe line system in Wyoming and through this system and its many connections it would gain access to refining centres in the Rocky mountains and mid-continent areas of the United States which are at present not served by Canadian crude. In the early years of the project it is anticipated that the throughput would be of the order of 11,000 to 15,000 barrels per day.

The advantage of this proposal is that it opens a new market for the condensate produced in southwestern Alberta without interfering with the movement of condensate from the central and northern areas of that province east or west through existing trunk pipe lines and without disturbing or displacing crude oil in any existing markets.

I have been at some pains to outline to the house the sponsorship and plans of the proposed company. The house will appreciate that in seeking incorporation the petitioners in no way ask for approval of their project but wish to disclose it in order to assure the house that the company is being incorporated for a proper purpose. As the house knows, two important boards have been constituted in Canada for the purpose of reviewing the merits of projects such as those proposed by the petitioners and finally deciding, after balancing all factors, which project is in the best interests of the nation.

As I have already mentioned, Hudson's Bay Oil and Gas Company Limited has already applied to one of these bodies, namely the Alberta oil and gas conservation board, for a permit to build its proposed system in Alberta. If the Alberta permit is granted and if Aurora Pipe Line Company is incorporated, then Aurora would apply to the national energy board for the required approval to construct the line across the international boundary.

There may be detailed questions in the minds of hon. members which can be best answered in committee, in accordance with the standard practice of the house, by the officers of the company.

That is the statement prepared by counsel in Ottawa for the Hudson's Bay Oil and Gas Company who are backing this proposed incorporation of Aurora Pipe Line Company. I suggest to the house that the more technical questions that arise can be dealt with in the standard way in committee, with the officers of the company present to answer questions. Subsequently they have to obtain clearance and approval from the board in Alberta and from the national energy board here in Ottawa.

Accordingly I move the second reading of this bill.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have listened with a great deal of interest to the remarks of the hon. member for Winnipeg South (Mr. Chown) in sponsoring second reading of Bill No. S-2, an act to incorporate Aurora Pipe Line Company.

The second reading of a bill is important in parliamentary procedure. It is that phase of procedure where one is expected to and should discuss the principle of the bill, not only the principle of—as in this case—the incorporation of a pipe line company, but all principles allied to the incorporation of the company if it pass through all the procedures of the House of Commons and the other place. In other words, at this stage of second reading it is our responsibility, as members of this house, to consider all the aspects in principle that apply to this bill, as to whether its purport is such as to be in the general interest of Canada or in the particular interest of a phase of the economy of Canada or a part of Canada. We must also relate to its subject matter what it says it is going to do in the solving of a problem which the hon. member for Winnipeg South said has arisen in Alberta.

In other words, it is necessary, not only to consider the actual act of incorporation but to decide on second reading, in principle, whether in relation to its purport and all other factors and previous incorporations this one is in the interests of Canada and of Alberta.

I have no hesitation whatsoever in saying that I feel the second reading of this bill is not something that can be passed over lightly, because its implications are such that very serious consideration must be given by the members of this house to whether it should or should not pass second reading, in the general interests of Canada, the economy of Canada or the particular interest and economy of Alberta.

I am very grateful for the fact that the notice of second reading of this bill was placed on the order paper prior to our adjournment for the Christmas recess. During the course of that recess we were therefore able, with regard to those matters on the order paper of interest to us, to make inquiries and to obtain information. Because I noted on the order paper the second reading of this bill to incorporate Aurora Pipe Line Company I remembered that some two years previously we had incorporated another company, namely the Foothills Pipe Line Company, for what I think is exactly the same purpose and to solve the same problem.

[Mr. Chown.]

Therefore I felt—and I am sure that all members will agree—it was necessary, if one had an interest, to obtain the fullest possible information as to why there should be the incorporation now of a new company to serve a purpose obtained by the incorporation of a company some two years ago which was going to meet and fill the same purpose.

So, over the Christmas recess, I sent out inquiries in all directions in order to have the fullest possible information on the purport and principles of this bill and in order to try to find out whether it was one which should pass on second reading in this House of Commons. I am very grateful to all those with whom I communicated for answering the questions I put to them and for supplying me with reports and statements of accounts, information concerning their plans and objectives and so on. After going over all this material I believe the principle of this bill is of such importance that it is incumbent upon me to introduce the entire picture in principle in order that we may have an understanding of the situation and then decide our course of action in this present debate.

Some two years ago, as I mentioned, this house and the other place, after hearing all the reasons and arguments, incorporated a company known as the Foothills Pipe Lines Company. Upon investigation I find that the sponsor of that company was a company known as the Pembina Pipe Line Limited. Thus, I think it is logical that I should start with the Pembina company, deal with its sponsorship of the Foothills company and the reason we incorporated that, and then relate this to the bill now before us. This is what I found.

I found that Pembina Pipe Line Limited is a very large company in western Canada, that the common stock of that company is owned to the extent of approximately 90 per cent by 2,000 Canadian investors with slightly more than 50 per cent of the outstanding shares held by Canadians in the province of Alberta itself. I am informed in writing, and I also have the reports, that as far as Pembina Pipe Line Limited is concerned 95 per cent of all its debt financing has been raised in Canada by Canadian investment houses. It is a company of many years standing which years ago became interested in this problem of the by-products because of gas utilization development in Alberta. Therefore, they employed a number of top notch Canadians to study the problem of these by-products. The by-products, in the main, are propane, butane, condensate and sulphate and the intention was to see whether there would be a potential market in Canada and, further, if over and above the Canadian market there was a possibility of obtaining an

export market across the international boundary should there be a surplus available.

As a result of their studies, the experts felt —and I quote their own figures and also the figures of Stevenson and Kellogg Limited, a well known firm in Canada who made the analysis for the company—there was a possibility of a $50 million industry in Alberta from the proper collection, transportation, utilization and export of products which were in the main going to waste. When I say $50 million, I mean $50 million annually. Because of this finding, the Pembina Pipe Line Limited sponsored a bill before this house some two years ago to incorporate the Foothills Pipe Lines Company. They did this because of the investigation which has taken place by Canadian scientists and experts and because of the report by Stevenson and Kellogg that it was felt that in western Canada there was a potential utilization of between 20,000 and 40,000 barrels of these liquid gas by-products per day, but that there would still be a surplus of some 70,000 barrels per day.

It was recommended by Stevenson and Kellogg, and in the findings of the Canadian experts, that if it were possible to find a market across the border for those 70,000 barrels, between the utilization of the liquid by-products in western Canada and across the line, the way would be clear to establish this $50 million a year industry in our country. That was the basis of the request to this house and to the other house for the incorporation of the Foothills Company. That request for incorporation was granted, and all the procedures which the hon. member for Winnipeg South (Mr. Chown) said the Aurora Pipe Lines Company are now going through have been undertaken by the Foothills Company and its parent company Pembina Pipe Line Limited. As a result, according to information I received only a short time ago, they have now been able to reach a contractual agreement with Standard Oil in the United States under which the United States company guarantees to take up to 70,000 barrels of these liquid by-products a day in the only place in which they say they can possibly be utilized, that is, in the area of Chicago.

As I pointed out, Pembina Pipe Line Limited is for all purposes Canadian owned and Canadian planned and is the pioneer in this new field. Naturally, some agreement has to be made if you are going to have a company in the United States undertake to receive 75,000 barrels a day compared with the 11,000 barrels mentioned by the hon. member for Winnipeg South which it is felt this new company would be able to export across the line.

Because I knew it would be of vital interest I asked for something official on that and my information is this. As soon as the planned investment now under way comes to fruition the plan calls for Pembina and the Canadian public to own and operate the pipe line facilities in Canada until such time as an export transmission line is built from Alberta to Chicago. This information is under the signature of Pembina. At that time Pembina will sell to Standard three sevenths of its interest in the Alberta facilities. In return, Pembina will purchase 35 per cent of the common stock in all of the United States facilities. On completion of this major transaction the Canadian public will own 30 per cent, Pembina will own 40 per cent, and Standard will own 30 per cent of all the pipe line facilities in Canada. It is estimated that the total project would cost approximately $130 million of which $40 million would be located in Canada.

To initiate the steps required to put such a plant in operation, two years ago Pembina incorporated by special act a company called Foothills Pipe Lines Limited which would be required to transport products across Alberta into the United States. Hudson's Bay Oil and Gas Company Limited, controlled by the Continental Oil Company of Huston, is now trying to compete with Pembina by offering to take the surplus gas by-products liquids from the extreme south of the province of Alberta into the Continental facilities in the United States. It is my understanding that they have no present intention of extending the Alberta facilities to handle production from gas fields in the north. It is further my understanding that if this contention is correct, then Hudson's Bay Oil and Gas Company Limited desires to skim off the easy cream of the product at the expense of the other production in the province.

What it is necessary for the House of Commons to know, if such action were permitted through the incorporation of the pipe line company which is now before us, is whether it would imperil the comprehensive and equitable system envisaged by the Pembina Pipe Line Limited and its ancillary company, Foothills Pipeline Limited?

The hon. member for Winnipeg South briefly mentioned the makeup of the company. I am glad he raised that question because if he had not I should have had to. In view of the background of this matter, the potentialities involved and the planning and work that has been done, I simply cannot understand how a Tory could sponsor this bill when one calls to mind the principles expounded with such verbosity by the Minister of Finance (Mr. Fleming) in his baby budget relating to Canadian control and Canadian

development of Canadian companies. The minister said the government stands for encouragement and support of the development of resources in Canada by Canadian funds under Canadian control in the utilization of our natural resources. It is difficult to reconcile these two things.

Because this matter intrigued me I made an intensive study of it. We now have before us for second reading a bill designed to do exactly what we said we were going to do when we incorporated two years ago a company which, to the best of my knowledge, has seriously undertaken its responsibilities and forged ahead. We are asked to incorporate a company which suddenly realized the situation and wants to come in perhaps to the detriment of the development of the economy of Alberta and of the disposal of what are now waste products.

As the hon. member for Winnipeg South pointed out, the real sponsor of this bill is the Hudson's Bay Oil and Gas Company Limited. Hudson's Bay is a famous name in Canada. When we think of it, we think of something Canadian or relating to the United Kingdom. Hudson's Bay Oil and Gas Company Limited is controlled by a United States company, the Continental Oil Company of Houston. I sent for the last report of Hudson's Bay Oil and Gas Company Limited on page 14 of which I find that the Continental Oil Company of Houston is said to own 67.8 per cent of the common stock of Hudson's Bay Oil and Gas Company Limited. The remainder is owned 22.6 per cent by Hudson's Bay Company of England and 9.6 per cent by the United States and Canadian public. In view of the statements of the Prime Minister, (Mr. Diefenbaker), the Minister of Finance and the rank and file backbenchers, it is unmitigated gall to sponsor, introduce and ask us to support the formation of a new company which is 67.8 per cent owned in the United States by the Continental Oil Company of Houston.

We cannot lightly pass over the second reading of this bill. It is of vital concern to us. If the findings of experts and oil engineers are correct, it could mean the development of a $50 million industry in Canada in the utilization of the products and the export of the surplus by-products of gas, propane, butane, sulphur and condensate. As members of this house we have a responsibility to give consideration to whether, in agreeing to the second reading of this bill, we are acting in the best interests of the national economy and of Alberta itself.

I honestly admit that I have an open mind with respect to this bill but as a result of my studies of the records and of the proposals made two years ago and of the work that has been done since, I question whether we would be doing a favour to Alberta and to Canada by giving second reading to this bill.

I could say a great deal more because of the information I have on my desk, but I say in all sincerity I believe I have been able to give sufficient of the background and of the ramifications behind the introduction of what appears to be a simple bill to incorporate a pipe-line company to draw to the attention of hon. members the importance of the principle and the necessity of a far clearer understanding of what is involved before we give this bill second reading.

Mr. Arthur Smith (Calgary South): Mr. Speaker, I should like to say a word not so much in rebuttal of the remarks of the hon. member for Vancouver East (Mr. Winch) but perhaps to try to appeal to logic in so far as procedures are concerned which must be followed in relation to this bill. The hon. member made reference to what was in the best interest of the province of Alberta and Canada as a whole.

When a pipe line company, its sponsors or partners who may be producers, contributors to, or participants in a pipe line company introduce a measure it receives rather close and exacting scrutiny by the provincial authorities. In this instance the scrutiny was given by the Alberta conservation and natural gas board. They make an assessment based on the economic and technical aspects as they affect the jurisdiction or the responsibility of the boards of the provinces. As I say, in this case it was the Alberta conservation and natural gas board.

Then, of course, the sponsors make application to the House of Commons for incorporation. We are at this stage now. If we give this bill second reading it will go to a committee where members will have an opportunity to examine witnesses and discuss various aspects of the proposal. After the bill passes through parliament it will face its most difficult task by going before the national energy board. The responsibilities of the national energy board as we find in the act are to make an assessment similar to that made by the Alberta natural gas and conservation board. As a federal authority its responsibility, of course, is to deal with it from both the technical and economic aspect. After the application is dealt with by the national energy board, and if the application is granted, the company can then proceed to carry out its functions.

I am not suggesting for a moment that the House of Commons does not have a responsibility. Of course we do; but I do point out that by passing this bill we are not in any way losing control over the eventual disposition of the bill itself. First of all, it will go to a committee of the house for

further examination. At this committee witnesses will be called. After the committee makes a report this house will make a searching analysis of the report. I mention this only to point out the procedure through which the bill must go before it becomes law.

The hon. member for Vancouver East made two interesting points, and I am not in entire disagreement with him. But when he talks about the interests of the Dominion of Canada and of the provinces I say to him we must look at the problem that faces Alberta. We can relate this problem to the whole problem of marketing crude oil in its raw state and natural gas or, for that matter, any of the by-products, such as butane, propane, sulphur and condensate.

Reference was made to another pipe-line company which received incorporation in this house. Our problem in Alberta is one of markets. It can be summed up simply in that way. This house is aware of the fact that as far as crude oil is concerned we are able to market less than 50 per cent; the remainder of it is left in the ground. As a result the oil industry finds itself in a difficult position.

I hope to be able to show that if we obtain markets either for our crude product in its basic form or the derivatives from it, it will be to the advantage not only of Alberta but of Canada as a whole. We must keep in mind that the sale of the derivatives of oil may mean a replacement of crude oil. If we can sell these derivatives we will be assisting the general economy within the industry and thus benefiting the province as a whole. I do not think the hon. member will disagree with my last statement because I have discussed it with him personally. The desire to improve the marketing position of the petroleum industry is the general concern of hon. members.

Let us make a comparison of this pipe line company with the one which he has described to us. This pipe line company intends to act as a common carrier. They hope to market a variety of products, derivatives and by-products such as were described by the hon. member, butane, propane, sulphur and condensate.

But what is different is that this company has established for itself through Continental Oil Company a market for one of these by-products and the important thing is that they have this market. It is not large but it is going to relieve some of the pressure on the rest of the producers in western Canada through the finding of at least this market. He mentioned that the Pembina company had passed through the usual processes of the conservation board. This is not quite accurate. They have been before the board but the information I have is that no decision with respect to the hearing has yet been made known to the company.

Mr. Benidickson: Is that a federal or a provincial board?

Mr. Smith (Calgary South): The Alberta natural gas conservation board is, of course, a provincial board and the decision, as I said, has not yet been handed down. So we are in the position that this house is being asked simply to give second reading so that we can send on for further examination the question of the construction in a small area of a line which may relieve part of the marketing problem of western Canada.

I suggest that if we refuse second reading we put ourselves in this position. First of all, we would in one sense be discriminating between one company and another. I have already said to the hon. member for Vancouver South (Mr. Broome) that in the committee, assuming I am a member of it, I also intend to make a searching analysis once we have the witnesses before us. But it does seem to me that in this instance to refuse second reading would be to prevent the potential marketing of a product which in the long run is going to be of benefit not only to the province but to the whole country. We would be refusing this company the right to be heard not by what I would describe as the proper authorities but certainly under circumstances where their plans would receive considerably more scrutiny than they will in a debate of this nature.

I am not denying for a moment that this debate serves a very useful purpose but I do appeal to the house that in fairness not only to the company but to producer and consumer alike we should send the bill on where it may receive the type of examination that it will before the committee and then eventually, of course, come before the federal authority which in the final analysis makes the decision with respect to whether the company will have the right to build the pipe line.

Mr. Winch: May I ask the hon. member a question?

Mr. Benidickson: The hon. member for Calgary South—

Mr. Speaker: Order. Is the hon. member rising to ask a question?

Mr. Benidickson: Yes. The hon. member for Calgary South referred to discrimination and I wonder whether he would indicate to what extent parliament has previously given the same thing to other companies and, if so, to what companies.

Mr. Smith (Calgary South): If I understand the question correctly, may I say that I merely suggested that by refusing to send the bill on for study by a committee we will then be establishing a principle under which we refuse the right to one company which will be marketing a comparable or similar product when we have already granted it to another. The hon. member for Vancouver East (Mr. Winch) referred to the Pembina Pipe Line Company whose bill went through the processes of the house.

Mr. Winch: I should like to ask the hon. member if he will agree that in any decision made in this house we should not, because of the 11,000 barrels per day which this company estimates can be sold through its operations across the line, imperil the contract already signed for the sale of 75,000 barrels a day in Chicago.

Mr. Smith (Calgary South): In answer to that question I would say that this shows the advantage of having witnesses before us at a time when we can examine them to determine the market area. There is very limited information in the brief presented by the hon. member for Winnipeg South (Mr. Chown) and we would have an opportunity in the committee to make this decision on a sound basis. If we come to the conclusion at that time that the plans of this company will endanger the operations of another then the committee can, of course, report back to the house along that line.

But I do remind the hon. member of the fact, and he appreciates it, that the marketing of these products not only in Canada but also in the United States is a highly complicated process, one which takes a great deal of study, and I question very much whether, on the basis of a cursory examination such as we have been able to give the matter up to this point, any member of the House of Commons is in a position to make this decision without having full information available to him. Therefore, all I am asking the house to do now is to send the bill to the committee.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, we have just heard two very fine speeches on this subject and I can agree with both speakers in many respects. However, I think there are a few other useful points that can be brought into the debate. Both the sponsor of the bill and the hon. member for Calgary South (Mr. Smith) laid great stress on the fact that other procedures are authorized for dealing with this matter and they ask that we approve the bill in principle on the ground that it would then go to the committee where we would get detailed knowledge.

The bill has already been before a committee of the other place and I can find no details whatsoever about it. There are only a couple of lines in the Senate *Hansard* and as far as I can determine there were, in fact, no minutes kept of that meeting. When it comes to a discussion of the principle I think we need to know more than we know now. The sort of argument that says that we should pass over our responsibilities to a committee is not one that I can accept. Approval of the principle on second reading is one of the safeguards of democracy, and I am not prepared to give approval in principle of this bill at the present moment with the knowledge I have.

From the information we have received this afternoon we do know that there are two companies involved, Aurora and Foothills. The hon. member for Calgary South has pointed out the need for markets. This need will become greater and more pressing as new gas pipe-line transmission facilities are completed. The by-product situation will then grow more acute because the gas must be transmitted dry without these by-products and we will have so much in the way of by-products in western Canada that marketing, which is now difficult, will in the future become almost impossible. From this point of view there will be room for a company which proposes to market 11,000 to 15,000 barrels a day as well as for the Pembina group with their 75,000 barrels per day.

As indicated by the hon. member for Calgary South, the point is that one company is working with one United States affiliate and the other company is working with another United States affiliate. Both of these affiliated or co-operating companies have their own market areas and marketing and transmission facilities within the United States. So it could well be that the production which the Aurora Pipe Line Company wishes to transmit is production which might not be touched by the Pembina people through their company, the Foothills Pipe Lines Company.

But we do not know. We do not know just how these two projects impinge one upon the other and it is quite important that we do know and know now. I do not know whether there are means within this house whereby this bill could be sent back to the other place for further study because from what I have been able to make out there has been no study in the other place. If there are such means, I would suggest that the bill might start all over again there.

One thing I do know is something that was brought out very forcefully by the hon. member for Vancouver East (Mr. Winch). I compliment him upon the research he has

done and on his conversion to the Conservative position. He has been giving indications of that for over a year and a half now. I compliment him on the detailed work he has done in regard to the ownership of Aurora Pipe Line Company and also the background as to Foothills Pipe Lines Company. It is my understanding that under the national energy board a minimum of at least one third of the common stock of any pipeline company must be sold in Canada. This was not followed out in respect of various pipe line companies prior to the formation of the national energy board. However, it has been followed out in the one offering of which I know subsequent to the formation of the national energy board. I refer to the Alberta Southern Gas Company. If this is a rule, and it is my understanding that it is, it is not being followed in the way the stock of Aurora Pipe Line is to be sold.

As has been pointed out before, 68 per cent of the Hudson Bay Oil and Gas Company is owned by the Continental Oil; 22 per cent by Hudson Bay Oil Company of England and the remaining 10 per cent by Canadian investors. On this basis, and on this basis alone, all other things being equal, there seems to be every reason in the world why this particular competition should not be allowed to enter the field against Foothills Pipe Lines Company. Let us not talk about free enterprise in this regard because—

Mr. McIlraith: I wonder if the hon. member would permit a question at this point. Would he not agree that the matter of the financing of the company to build the pipe line is a matter that is dealt with by the national energy board at the time of the hearing for permission to construct the line, and that the figures to which he has just referred relate to the ownership of the applicant for incorporation?

Mr. Broome: I am not a lawyer as is my hon. friend opposite. However, it seems to me from a reading of this bill that it is a matter which must be dealt with at the time of the incorporation of the company. In fact, it is dealt with in the bill itself and within the articles of incorporation of this company. This company must be familiar with the national energy board regulations. Either I am mistaken in my assumption that one third of this pipe line stock must be offered to the Canadian public or this is not right and it is in their own articles of incorporation.

Mr. McIlraith: I think you are misreading the latter.

Mr. Broome: It may well be. It might be well if the hon. member were to participate in this debate and give the house the benefit of his legal experience to let us know where we stand on the particular point I have raised.

This matter does become one of markets. It is important that nothing be done by this house to stop the development of markets for these by-products, propane, butane, etc., and all these hydrocarbons which are produced in Alberta and which will be coming into production in northern British Columbia and are now already being produced in Saskatchewan. It is equally important also that we know what we are being asked to approve in principle. I say that at the moment I do not believe we have enough knowledge to make a judgment on the matter. I do not believe the brief presentation by the sponsor has covered the points about which we want to know.

Furthermore, they say, let it go to a committee. How many members of this house are members of that committee? I am not a member of the committee that will be dealing with this matter and I am very much interested in it. We approve the principle of the bill on second reading and during that debate any members who want to know something about this bill can be in their seats and can participate in the debate. I am waiting for some advice from you, Mr. Speaker, as to the type of motion I might move in order to refer this back to the Senate for further consideration, if that is possible. If it is not possible, then I suggest that the hour for discussion of these private bills will be exhausted in a few minutes and there will be time for the sponsor of the bill to secure the information we need.

Mr. Jones: Send it to the committee, that is the way they will get the information.

Mr. Smith (Calgary South): You can discuss it again on third reading.

Mr. Broome: This is the second reading and we are debating the principle of the bill. At the moment, with the knowledge I have, I am not in favour of this bill.

Mr. Benidickson: I think all members of the house recognize it is really six o'clock and since this is a controversial bill, I would suggest we call it six o'clock.

Mr. Frank Howard (Skeena): There is not a great deal of time left. I, like the hon. member who has just completed his remarks, made inquiries concerning the proceedings before one of the committees of the Senate in order to ascertain whether some information was available on this bill. I found that the proceedings of the committee which dealt with this bill were not reported, which is

unfortunate. Perhaps the Senate is concentrating more of its efforts on the divorce committee and has not the time to deal with these problems.

In any event, Mr. Speaker—

Mr. Speaker: Order; the time for the consideration of private and public bills having expired, the house will revert to consideration of the matter which was interrupted at five o'clock.

At six o'clock the house took recess.

AFTER RECESS

At 8 p.m. the house resumed.

THE BUDGET

SUPPLEMENTARY FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. Donald M. Fleming (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Benidickson.

Mr. Baldwin: Mr. Speaker, just before five o'clock I had dealt with what I considered to be the total inadequacy of the hon. members of the opposition in their attempts to deal with this budget and their absolute and dismal failure to come to grips with real, strong issues which are involved in the supplementary budget. I had just started to refer to a statement which had been made by the hon. member for Vancouver East.

I am always glad to listen to the hon. member. He, with two other members of his party —whom it might be embarrassing to name— are what I may call a group within a group. They are hon. members for whom I entertain at certain times certain hopes of salvation. They may well be brands, to be plucked from the burning. But every once in a while while I come to that conclusion they fall from grace with a dull, sickening thud, and yesterday was one of those occasions.

The hon. member had occasion to criticize the hon. member for Carleton and the hon. member for Vancouver-Kingsway, who in their turn had criticized the text and the tenor of the remarks made by opposition members.

As I understood the hon. member for Vancouver East, he took the position that this government was arrogant and the members who supported the government were not entitled to engage in criticism of this kind. I take exception to that for three reasons. In the first instance I think this is a government which has always invited and welcomed criticism. It has a capacity for listening to and acting upon valid criticism.

I think a demonstration of that can be found in the debate on the Combines Investigation Act of last year and the Criminal Code amendments which followed it. That was a perfect illustration, and I think there are no such attributes to be found in this government as suggested by the hon. member.

In the second place, when criticism is ill-founded, is unintelligible, is half-baked and is of no value, then I think not only is it a right but it is a duty which falls upon members who support the government to point these things out. Valid, constructive, intelligent criticism is always welcome, and when it does not fall into those categories I think we have a duty to point this out and in turn criticize those who have engaged in that form of argument.

There was a very excellent example of that yesterday when the hon. member for Vancouver-Kingsway in the course of his remarks had occasion to ask permission of the house to put upon the record certain figures with regard to tax rates which were falling upon individual Canadians. This statement, which I read with some care this morning, places an entirely different light on some of the arguments which were advanced previously by, amongst others, the hon. member for Kenora-Rainy River (Mr. Benidickson). That is an example of when we are justified in criticizing arguments of this kind.

I think I can give two other illustrations. Last night after I left this house I went home and I was just able to get in on the last part of what I suppose, for want of a better name, might well be called a post mortem on the Liberal rally held during the first three days of last week. I do not know what preceded this particular display, but when I got home Mr. Walter Gordon was being interviewed with regard to this rally and his participation in it.

When I first saw him he was rather happily admitting the suggestion that he had been the grey eminence behind the convention, and with a due modicum of modesty he was brought to admit that in the event this unfortunate country might ever be brought to the state of being inflicted with a Liberal government he would be the next minister of finance.

Having done this, he was then subjected to a very keen and very intelligent line of cross-examination by an interrogator who I believe was Mr. Davey. At this time Mr. Gordon no longer had behind him all the panoply, crowds, display and colour of a rally; he was all by himself and he had the challenge to meet on his own. He was asked—

and I think this is where he fell down dismally—to try and reconcile the differences, the deep gulfs which have to be bridged between his line of economic and political thinking, which he had indicated, the future planks of the Liberal platform which had been allowed to see the light of day, and the statements made from time to time by members of the Liberal party in this house. Of course, that is probably an impossible task. He could not do it. It was a complete failure, almost a massacre.

Having in mind that this gentleman, according to his own admission, aspires to be the next minister of finance should there ever be a Liberal government—and I should add, Mr. Speaker, that this is not a paid political advertisement on behalf of the member for Kenora-Rainy River—I think it is proper for members of this party to indulge in criticism of the sort of thing which was displayed there and to do our utmost to see that a Liberal government is not inflicted upon the people of this country.

I think that some time earlier it had been announced that the Leader of the Opposition (Mr. Pearson) had made a statement in which he had challenged the government to bring on an election and had indicated that beyond any doubt, if there was an election he would be successful. I know that is the sort of thing political leaders are supposed to do at rallies of this kind. I have no doubt that the Leader of the Opposition (Mr. Pearson) does not believe it. I have no doubt that no one in this house believes it, but it is the sort of thing the hon. gentleman is expected to do, and he did it.

Unfortunately, there may be a number of people in this country who are not aware of this practice and I can think of nothing more calculated to strike fear and apprehension into the minds of millions of Canadians than the prospect of another Liberal government. Feeling that way, as I do, I am sure that along with many hon. members on this side I am entitled by my actions and speeches here to see, along with my colleagues, that this is not brought about.

It is not only the actions and program of the government which are at issue. We must also consider, under our democratic system, the programs of those political parties which hope to offer an alternative, the character of the leaders of those parties and their ability to implement the programs which are proposed. For these reasons I take strong issue with what was said by the hon. member for Vancouver East (Mr. Winch) and when necessary I intend to continue to criticize the type of specious argument which has been developed ad nauseam during this debate on the opposition side.

It would be all very well for me to say to the Minister of Finance (Mr. Fleming) that this is a good budget and an opportune budget brought down at the right time and containing the right material, but I can go outside my own thoughts and outside the opinions of those who support the Minister of Finance. I have here the annual review section of Montreal *Gazette* of January 14. The leading article is written by Mr. John A. Meyer who, I think, is a reasonable, intelligent and well qualified observer in the field of political economy and one who, I think, takes an independent attitude. The headlines above this article read:

> Nation on new tack. An economy shaped to national aspirations. Aim is sufficient independence, diversity and strength for maintenance of a political sovereignty.

I should like to read a few of the paragraphs from this very interesting article:

> The Canadian economy never before was subjected to such searching scrutiny as during 1960. The process will continue through 1961. The supplementary budget was a first indication of new directions. The main budget should be even more definitive. A deliberate effort is now being made to shape an economy compatible with national needs and national aspirations. The process, in Canadian tradition, will be slow—evolutionary rather than revolutionary. All that really can be said so far is that a start has been made; with so much yet to be done the going now will not necessarily be easier.

The article continues:

> The results of several enquiries now under way should be available by budget time. The government should be able to implement, with the certainty of thorough prior and public examination, findings on operation of the railroads, on conduct of the automobile industry, the periodical press and the coal industry. It will have the initial results of the Senate enquiry into unemployment. Most important of all, it will have the experience of the supplementary budget to draw upon in the preparation of new measures.

There are other items I should like to deal with, but time will not permit. However, there is just one statement I should like to extract from its context and read:

> If the government's actions now appear to be extreme, it is because, in large part, so much is now being done which should have been done before.

That is a point to which I shall return, Mr. Speaker. This not only lends comfort to the Minister of Finance in connection with the bringing down of this budget and the legislation proposed to complement it, but I think it constitutes by implication a strong rebuke to those members of the opposition parties who have engaged in the form of criticism of this budget to which I have referred.

I wish in particular to comment on a television appearance made, I think, in a program called "The Nation's Business" by the Leader of the Opposition and the hon. member for Trinity (Mr. Hellyer) on the eve of the national rally. I do not remember all that was said, and I did not catch it all, but one statement was made—I do not know which of the two hon. gentlemen made it—containing strong criticism of this budget and the related actions of the government on the ground that it was nothing but a long range program.

In the first place, I reject the suggestion that there are no short range programs of immediate value connected with this budget. If necessary, I could turn to this very authentic document which was branded by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and which is known as "The Record Speaks" from which the hon. gentleman quoted. I think that having quoted from it he should have gone on to put it on record in *Hansard* for the edification of the people of Canada.

This is an accurate account, illustrated by chapter and verse with reference to the statutes of this country, indicating what steps have been taken by this government to increase the economic standards and the well-being and welfare of the people of this country. I could go outside this document. In the article to which I referred by Mr. Meyer, and in the articles following it, we find a number of expressions of opinion by various people in different areas of the political and economic life of this country. We find on page 4 of this supplement, for example—and I recommend the reading of this to all hon. members before they engage in further criticism—an article by Mr. H. W. Thomson, president of the Canadian Bankers' Association. Among other things, he said this:

> Additional deposit accounts were opened at a rate of more than 2,000 every banking day during the 12-month period ending September 30, 1960. Personal savings accounts increased by 384,358 and other deposit accounts of the public by 156,780 making a total number of accounts at September 30 of 12,713,000. In the past 10 years they have increased by more than 50 per cent.
>
> At September 30, 1960, personal savings in the chartered banks stood at $7,310 million, $71 million higher than the year before and the highest figure on record.

I turn also to a statement from a publication cited by the hon. member for Vancouver-Kingsway (Mr. Browne) last night and referred to as "Industry". In the same article which, I think, he mentioned is the statement:

> How many of us, for instance, know that there are 250,000—one quarter of a million—more Canadians with jobs today than there were three years ago.

I think that constitutes an ample answer to those who say there are no short range characteristics of immediate benefit to this country in the government's program. It is my submission—and I submit this with confidence—that the long range programs envisaged in this budget and complemented by the legislation and planned action of the government are something we should have had many years ago long before the Liberal government was thrown out of office in 1957.

The period of gestation of many of the economic movements in a country like ours today is of long duration and the fruits we harvest at present are in many instances the result of seeds sown years ago. That has been a fatal error into which the former Liberal government fell. For that reason I think it ill behooves them to criticize the budget and the other measures introduced by this government because they show, in effect, long range planning. Three of those steps to which I will refer speak eloquently of the values and virtues that will stem from them.

The intention clearly indicated in the budget of enabling Canadians to enjoy a greater measure of participation in the development of their own natural resources and a greater share in their ownership is something which should have been commenced eight or ten years ago when it was fully apparent that a dangerous situation was going to come about because of what was happening with regard to the ownership of our natural resources.

One of the important measures to which I referred is the question of trade expansion under which additional financial guarantees to exporters will be implemented.

A second is the imaginative mass meeting held at the instigation of the Minister of Trade and Commerce (Mr. Hees) under which trade commissioners from various parts of the world and thousands upon thousands of Canadian businessmen were brought together. This has already had a favourable impact. A few days ago I spoke to a person I regard as an informed observer of the economic picture who had just returned from Europe and the United Kingdom. His unequivocal statement to me was that there has already been as a result of this program a most beneficial impact upon the European and United Kingdom political and economic scene.

Finally there is the inquiry instigated by this government in the other place by a special committee of the problems of manpower and the related and integrated effect so far as unemployment is concerned and the direction our economy should take.

These are steps which should have been foreseen as being required eight, 10 or 12 years ago but I suppose it would be too much

to suggest that a government and party whose trademark was procrastination and delay, a party of day to day expediency and bits and pieces legislation, who were never comfortable when they had to take a stand and if they could not find a fence available when a decision had to be made would build one to sit on, would be the sort of government or party one would reasonably expect to launch measures of this kind.

Under the present administration these and other forward looking measures will, I suggest, take the people of this country far ahead in their search for prosperity and happiness.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, this budget seems to be remarkable more for what it lacks than for what it contains. That is probably the reason why the speakers on the government side have found it preferable to devote more of their time to debating the Liberal rally than to discussing the proposals which the Minister of Finance (Mr. Fleming) has placed before the house. Even the Minister of National Revenue (Mr. Nowlan) this afternoon, after admonishing my colleague, the hon. member for Bonvista-Twillingate (Mr. Pickersgill) for devoting some time to a Conservative pamphlet, proceeded to revert to form and spent the rest of the time at his disposal discussing the Liberal rally. All of this leads to only one conclusion, that the Liberal rally has really got the government worried.

Some hon. Members: Oh, oh.

Mr. Bell (Carleton): It should have the hon. gentleman worried.

Mr. Speaker: Order.

Mr. Carter: Hon. gentlemen opposite find it a very convenient topic on which to fall back because there is actually little in the budget to discuss.

For example, this budget contains nothing at all for the Atlantic provinces and that in the face of those famous Atlantic resolutions which were drawn up and advertised so much in the elections of 1957 and 1958. It contains nothing to deal with high interest rates, one of the most pressing problems at the present time. Such measures as are in this budget are designed more to consolidate interest rates at their present high level than to lower them.

Most important of all, there is nothing in this budget that can be expected to produce any immediate effect on the unemployment situation which is the major problem confronting Canada today, and that in face of the fact that this budget was referred to in the speech from the throne along with other measures to combat unemployment, and the impressions created by the statements made by spokesmen of the government both in and out of parliament.

These impressions together with the government's insistence on bringing down this budget before the Christmas holiday led us all to expect that this would be an important part of the program to combat unemployment. As for the general objectives outlined in the budget, there will be a wide measure of agreement. The objectives of reducing the premium on the Canadian dollar, reducing our international indebtedness, increasing Canadian ownership of our industry, inducing Canadians to invest more of their own capital in Canada and to borrow more at home than abroad, are all worthy objectives and will receive a wide measure of support.

An hon. Member: Will you vote for it?

Mr. Carter: Wait just a moment. However, when it comes to the means by which these objectives are to be obtained there is room for wide disagreement as to their adequacy. Indeed, the question arises whether some other and better methods might have been employed to obtain these desirable results.

Some of the means set forth in the budget are double depreciation for industry, the extension of the 21 per cent tax on corporate profits from the $25,000 bracket to the $35,000 bracket, Canadian income restrictions on investment corporations and pension trusts, the repeal of the 4 per cent surtax on income from Canadian investment, the increase on the withholding tax from 5 to 15 per cent and the tax penalties on bonds owned outside of Canada by non-residents. All these sound very imposing, but when we come to analyse them we find they are not so effective as one might be led to expect.

Take for example the question of double depreciation. We in the Atlantic provinces are keenly interested in this measure because it is specifically designed to attract industry into underdeveloped areas where there is a high level of unemployment. When we come to examine this measure we find it is applicable for only one year and it is hedged around with so many conditions that it is unlikely that many companies will be induced to bother with it at all. Even if a company does take advantage of it, what is gained in the one year is likely to be lost later on by a reduction in capital cost book value. Therefore, actually this measure is not really a tax deduction but a tax postponement, and that is a great disappointment to those of us who are interested in the development of our resources in the maritime provinces. If this is the best that the government can offer—and it is the only thing in this budget—then

we may as well forget about it because it falls so very far short of what is required.

Mr. Bell (Carleton): What would the hon. gentleman do?

Mr. Carter: If the hon. member will wait a minute he will find out.

Mr. Batten: A rhetorical question.

Mr. Grafftey: Tell us what your government did.

Mr. Martin (Essex East): It gave the best government in Canadian history, and that is a fact.

Mr. Bell (Carleton): You really smile when you say that.

Mr. Martin (Essex East): I am smiling at you.

Mr. Carter: The extension of the 21 per cent tax on profits from the $25,000 bracket to the $35,000 bracket will be a welcome tax reduction to those small businesses whose profits fall between these two figures, but it will be no help at all to the vast numbers of small enterprises whose taxable profits fall below $25,000.

Small business enterprises are the backbone of our economy, and if we are to make an all out attack on unemployment this, in my opinion, is one of the best ways of doing it because there are so many small businesses that if we can enable them to employ only one extra member on their staff, by the sheer force of their numbers alone they will make a considerable contribution toward solving the unemployment problem. If we add to them the people who would be employed indirectly by the enlargement of their premises and by additions to their equipment, then we can see that small businesses can make a very important contribution toward creating the jobs that we need if we are to come to grips with this unemployment problem. But to do that we must consider all the small business people who should receive some measure of tax assistance, and not merely those whose profits happen to fall between $25,000 and $35,000.

Restrictions on the pension trusts and on investment houses themselves cannot have very much positive effect on our problem because most of those companies or organizations already have a sufficient proportion of Canadian securities in their portfolios to enable them to comply with the law without increasing them. What we actually need is a more direct incentive which would pay the investor to buy common and preferred stock rather than bonds and mortgages.

The repeal of the 4 per cent surtax on Canadian investment income will help a number of individuals, widows and older people who are dependent on investment income, but it cannot be expected to exert any appreciable influence on the flow of equity funds.

The increase in the withholding taxes illustrates a new feature which is characteristic of the Conservative party, and that is its accent on Canadian nationalism. While it may sound patriotic, we know that forces are at work, ready and eager to exploit this emphasis in such a way as to generate anti-Americanism, and some of those overtones are already audible. The record of the Conservative party is not to be envied in this respect. My hon. friends remember their references to the Texas buccaneers when they were sitting over here in opposition, and they remember their references to the 15 per cent trade diversion and the tough line that they were going to take with the U.S.A., all of which were planks in their election platform. They also remember their truculent reaction to the feelings of the people of the United States which arose in relation to the recent Cuban trade overtures, and now these measures emphasizing economic nationalism with their unfortunate overtones of anti-Americanism.

The United States investor can hardly be blamed if he gets the idea that his risk capital is not welcome here in Canada. The fact is that Canada cannot do without United States venture capital. We have somewhere around 500,000 people unemployed at the present time. Within six months time, after schools are out, around July or August, there will be another 200,000 additional people in the working force looking for jobs. Where are all those jobs to come from? They can come only from the investment of venture capital.

Someone in the United States has calculated that it requires $10,000 of capital to create one job, and I presume that the figure is pretty much the same for Canada. Canada simply has not enough capital to create all those jobs, and furthermore Canadians are not willing to invest what capital they have; otherwise, what would be the necessity for all these special inducements outlined in the budget?

I ask my hon. friends, where would Newfoundland be today but for the investment of United States capital? How much Canadian capital has been invested in my province since we became part of Canada in 1949? It is so trivial that it is too insignificant to mention, and that has been one of our greatest disappointments about confederation.

The United States can hardly be blamed if it feels that it is not obliged to continue the special consideration which we have enjoyed heretofore. A short time ago the Pentagon in the United States sent out orders to its armed

forces to restrict spending on purchases for United States troops abroad. As a special consideration Canada was exempted from that order, and that meant a lot to many communities in my province whose economies are tied in with the existence of United States bases.

In Newfoundland our fresh and frozen fish industry is completely dependent upon the United States market. On several occasions the fish lobbies in the United States having made representations to their government and to special committees set up for the purpose have succeeded in getting recommendations put through which would place restrictions upon imports of our fresh fish products. That was overcome on two occasions only by a presidential veto. If such a situation arises in the future the President of the United States would hardly, in my opinion, feel himself obliged to come to our rescue again and if he does not it is going to be very disastrous for my province.

Let us not forget too that the United States is the bulwark of our freedom. Canada is a part of the free world and the United States is the leader of that free world. The main policy of the Kremlin today is to divide Canada from the United States and to stir up disunity between our peoples. Anything that contributes to that disunity endangers the security, not only of Canada but also of the whole free world.

There were two other notable omissions in this budget which in my opinion should cause some concern. One is that there was no indication of coming to grips with the underlying causes of our economic trouble and the other is that there was no recognition of any need for a change in our financial machinery. One of the major causes of our financial troubles today is that the fiscal policy of the government and the monetary policy of the Bank of Canada are not in harmony and, in fact, they have been out of step ever since this government took office.

This raises the question of over-all responsibility. It is true that the Bank of Canada is charged under the Bank of Canada Act with the responsibility of maintaining the stability of our Canadian currency but since our dollar was freed on the international exchange its value has been at a premium abroad while at the same time it has depreciated in value at home by an average of about 2 per cent per year for the past 20 years. That suggests that perhaps we are saddling the Bank of Canada with a responsibility which it is impossible to discharge.

When the fiscal policy of the government and the monetary policy of the Bank of Canada were in close harmony, as they were under the Liberal regime, there was positive leadership and direction which could be easily recognized by the business community, but when they are out of step, as they have been for some time now, confusion and chaos result. Since the monetary policy of the bank is subject to a large extent to the direct influence of the fiscal policy of the government, it is logical that the over-all responsibility should rest with the government and the Minister of Finance would do a lot to clear up the present confusion if he would plainly accept that responsibility.

A second major cause of our economic troubles is the fact that our financial machinery is out of date. Our present system is some 25 or 30 years old and during that time tremendous and fundamental changes have taken place in our economic life but there has been no change at all in our financial machinery. As a Liberal I believe in individual freedom. I believe an individual should be free to do what he wants provided he keeps within the law and does not restrict the freedom of anyone else. Above all, the individual should be free to meet the needs of his fellow men. But we are not free to do so. We may see needs around us, we may have the resources and the will to take care of them but we are not free to go ahead and do it.

The system or somebody behind the system determines what needs are going to be met and who is going to meet them. A young couple may wish to own a home of their own. The home may be worth around $15,000. They can find the $15,000 to lay out for the value of the house but they are not free to acquire that house because the system, in addition to the $15,000 for the house, requires them to pay another $15,000 in interest which they certainly cannot afford.

The fundamental problem facing Canadians today is to maintain and expand our standard of living in a changing world. Our financial system is one of the means by which this is to be achieved. But experience has proved that only on very rare occasions when very special conditions have happened to exist at the same time have we been able to enjoy prosperity without inflation. For the greater part of that time the system has operated so as to compel us to choose between two evils, inflation on the one hand and unemployment on the other.

The primary reason for the existence of our financial, industrial and commercial organizations is to meet the needs of the people. In Canada we have a vast reservoir of human needs crying out to be met, not to speak of the vast abundance of human needs elsewhere. Here in Canada we also have an abundance of natural resources, of materials,

skills and industrial capacity, a great part of which is now lying idle. Moreover, we have a huge surplus of manpower of somewhere around 500,000 people.

Surely a financial system adequate to present day conditions would function in such a way as to bring all these elements together and to act as a catalyst so that the industrial machine can start turning over to fulfil its primary function of meeting the needs of mankind. The fact that our industrial machine is slowing down and a large section of it has already come to a standstill, while at the same time we have approximately half a million out of work with millions of needs waiting to be filled, is in itself sufficient proof that our present financial system is no longer adequate.

In addition, no new production or at best very little can come into existence today without generating a corresponding burden of debt and more and more it is becoming the case that new production cannot be consumed without incurring an additional debt burden, so much so that many of our workers today have mortgaged a large part of their earnings for two or three years in advance. How long can this be expected to continue? Surely it is bound to catch up with us some day sooner or later and when it does the effects are likely to be disastrous.

Mr. Coyne has told us on a number of occasions that we are living beyond our means. Mr. Coyne's statements would be much more helpful if he would be more precise in defining his terms and exactly what he has in mind when he refers to "our means". If by "our means" he means our capacity to incur additional debt, then I think we must agree with him because it seems to me that there is something immoral about taking the easy way out by incurring a debt burden which we are going to pass on to the next generation, particularly if they are not going to derive any benefit from it. The next generation will have enough to do to cope with their own problems without inheriting problems from us. Mr. Coyne's statement, as does this budget, appears to be based on two assumptions.

One of these assumptions is that there is no alternative to the present system, and the other assumption is that the present system cannot be improved; that we are stuck with it and we must continue to live with it and adjust ourselves to it whenever necessary for all time to come.

Now, these two assumptions I, for one, am not prepared to accept, at least not with the information that has been made available to date. In my opinion, it is absurd that man can put a sputnik into orbit and guided missiles into space, yet he has not the ingenuity to correct these obvious defects in our financial system or replace it with one that is even better. What should be done? Obviously, the first step is to find out where our financial machinery has broken down. I, for this reason, urge the government once again as I have already done on several occasions to set up a royal commission or some appropriate body to completely investigate and examine our financial system and to recommend what changes should be made to correct its obvious defects and inadequacies.

Mr. Brunsden: Will the hon. member permit a question? He is recommending a royal commission, yet within the last few days it seems to me we have heard a lot of depredation about royal commissions. Does he really mean he wants one?

Mr. Carter: Yes, I really mean it. There are two reasons for setting up royal commissions. The first reason is to postpone action on something and the other is to get information. The government is prone to set up royal commissions for the first reason I gave, but I want one for the second reason.

(Translation):

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I take the opportunity offered me tonight to discuss the supplementary budget which has been designed to help the Canadian people itself by promoting the manufacture of goods essentially Canadian in nature.

Mr. Speaker, the hon. member who just resumed his seat has stated that in many respects the supplementary budget is unfavourable to the United States and to the other nations as well. It is not so. This supplementary budget is merely a pro-Canadian budget. The measures adopted before Christmas give way to others which will soon be considered.

This supplementary budget, Mr. Speaker, is based upon real Tory principles. The Progressive Conservative party talks about principles, while the other parties, the Liberal opposition and the C.C.F. party, talk only and constantly of doctrine.

(Text):

This evening, Mr. Speaker, I should simply like to suggest, not necessarily by referring to the Liberal convention or their pronouncements inside or outside of this house, to the Leader of the Opposition (Mr. Pearson) that there is nothing really sacrosanct about indecision. I am reminded of the Eatmor candy advertisement, the more you eat the more you want. When I see the stand of the Liberal party on red China I would remind the leaders of the opposition party that the more decisions they make the more they

might want to make. As a result of this latter performance I am sure they have become more than ever like a Shakespearian Hamlet opposition; on the one hand, on the other hand, to be or not to be.

My greatest indictment of this opposition is that they have criticized this government time after time in the past and lately I expected they would have a mass of alternatives. However, what do we see? We see confused thinking and indecision. My very learned and hon. friend from Bonavista-Twillingate said this afternoon that the budget was not bad. It was like an egg, there was some good and some bad in it. I know that those who become addicted to punning often must visit a psychiatrist, but I must say that during his speech I did not hear one constructive or original idea "hatched".

Mr. Habel: Are you going to hatch something now?

Mr. Grafftey: Perhaps I have taken a long time to realize this, but this afternoon I said to myself as I watched my very good friend from Bonavista-Twillingate perform, there is something of the maverick quality in him. A lot of the things he said are feasible, but the point is they have nothing to do with the program enunciated by his own party. I doubt if his cohorts on the front benches realize or have the perspicacity to detect the maverick quality in my hon. friend. When I hear the hon. member for Essex East (Mr. Martin) speak I really feel that these gentlemen who form a triad of the 1957 administration have not yet gone through that long purgatory of humility which will be necessary before they ever begin to think of assuming power and taking the reins of office to direct this country.

I have said that it is a great privilege for me to speak in the debate on this supplementary budget. It is a supplementary budget designed, with past legislative enactments put into force by this government before Christmas and with legislative enactments which we are going to put into force, upon Conservative principles. It is a supplementary budget designed to help Canadians to help themselves. It is a supplementary budget that is not anti-American or anti any other country, but it is pro-Canadian. It is a supplementary budget designed to produce more goods by Canadians for Canadians in Canada. In a moment I am going to enunciate what I think are Conservative principles.

Mr. Pickersgill: That will be something new.

Mr. Martin (Essex East): That really will be something new.

Mr. Grafftey: Hon. members opposite may laugh, but did you see any principles come out of their convention?

Some hon. Members: No.

Mr. Grafftey: I am going to enunciate principles and I challenge them to enunciate principles of any sort. As a matter of fact, while we talk about principles, the C.C.F. and the Liberals talk about doctrine. Old world Liberalism under Gladstone might have had some doctrinaire benefits, but certainly after listening to the pronouncements of the leaders of this party I believe that Liberalism, especially in Canada, has become a hybrid mixture of expediency and overworked compromises.

What are the principles to which I refer, as contained in our recent legislative enactments and as contained in our supplementary budget? Conservative principles dictate that legislation should help people to help themselves; that central governments are not all-wise, not perfect. Unlike past Liberal administrations, we do not pretend we know all the answers or that we are working, as I have often said in the past, on an equal plane with the deity.

Mr. Pickersgill: Did you say you were or you were not?

Mr. Grafftey: Conservative principles work in co-operation with the municipalities and with the provinces. I ask you to pay attention to the fact that today we see the provinces and the federal authorities working together in a spirit of real progressive understanding and compromise in connection with the repatriation of our constitution. Conservative principles imply an understanding of local self-agency. So I now call our program a progressive program for partnership economic expansion. Hon. members opposite might snicker. At least that expression is original.

I, like hon. members opposite, listened to the debates during the United States election and to all the proceedings before the election. I noticed that the hon. member for Essex East came up recently with the expression that the Liberal program had something to do with Canadian frontiers. Surely my hon. friend, with all his wisdom and originality, can compose something on his own. At any rate, we all enjoyed looking at the United States election campaign.

We understand that this progressive program for partnership economic expansion realizes that modern, contemporary problems must be solved in co-operation with the provinces, in co-operation with industry and labour, in co-operation with the municipalities, in co-operation with agriculture and all Canadians.

I noticed that at the recent Liberal convention, while a great many of the older members of the party had a lot to say about Liberal policy and doctrine on the floor of this house, the old guard were largely forgotten. I hope I have the opportunity, in a friendly discussion outside the house, to discuss the experience with them of being exposed to the grass. I hope it was not too harrowing.

One of the things that the Leader of the Opposition (Mr. Pearson) mentioned during this debate was that so many of the legislative enactments and so many of the decrees passed by this government recently depended upon the initiative of the Canadian people. That is the crux of this whole debate; that underlines one of the major differences between this government and the official opposition. We have faith in the strength and the initiative of the Canadian people, while they do not.

Unlike the Liberal party, which said before confederation that confederation was almost an impossibility; unlike the Liberal party, which said that the Canadian Pacific railway could never be built from coast to coast; unlike the Liberal party, which has called our northern vision something of—I think it went this way, "igloo to igloo", our party—

Mr. Pickersgill: Nightmare.

Mr. Grafftey: —embraces an expansive optimism. We optimistically believe in a Canada moving forward. I am sure that when Sir Wilfrid Laurier said that the twentieth century belonged to Canada he never visualized, in the future, the present-day Liberal party saying that this country is really falling down and has no future. I believe, with Sir Wilfrid Laurier, that the twentieth century belongs to Canada. I wish members opposite in the Liberal party would join in this progressive belief in optimism—

Mr. Habel: He did not know the Tories would be in office.

Mr. Grafftey: —with such philosophers as Plato and romantics as Coleridge—

Mr. Martin (Essex East): Plato was not a romantic.

Mr. Grafftey: Our party is also built upon hope. Our legislative enactments are built upon optimism. The Liberals form their utterances around negation. I would like to say that however great the immediate popularity of the destructive philosophy may become, in the long run a demonstration of affirmation will conquer it unless the fabric of civilization first disintegrates.

I believe that the Canadian economy today is healthy. I also believe that pessimism and saying that things are bad can psychologically have their destructive effects. I know that if I were in the peak of physical trim and feeling well every day, and every time I got out of bed one of my family came up to me and said, "You are looking awful"—

Mr. Pickersgill: They may be right.

Mr. Grafftey: —and if this went on day after day, no matter how well I felt, if every day when in fact I was feeling well, when I was feeling fit, when my doctor said there was absolutely nothing wrong with me; if every day I got out of bed feeling that way someone in my family said, "Oh my gosh, you are pale, you are looking awful, Heward, are you feeling well, Heward?", that would make me feel bad. That is what the Liberal party is doing to Canada every time they say to the body politic, the people, "You are looking awful; you are pale; you are anaemic".

Mr. Martin (Essex East): You look pretty sick.

Mr. Grafftey: If this were just party politics and political expediency I would not be so irate. But the hon. members opposite do not realize where politics stop and where statesmanship begins. I believe that this continual playing down of the future of Canada and our contemporary position is hurting us at home and abroad. No matter how good the government is, it will have that effect.

I would say that no opposition in the history of this nation has preached such a continual and concentrated sermon of pessimism as the Liberal party of today. But, again, we are a party of hope; they are a party of negation. We are a government of hope; they are an opposition of negation. We believe, with Sir Wilfrid Laurier, that the twentieth century belongs to Canada. We believe that in the end our philosophy is the philosophy that Canadians in a realistic spirit want to hear about.

Mr. Regier: Will you tell that to the unemployed?

Mr. Grafftey: One of the speakers this evening has also made reference to the "Annual Commercial Review and Forecast in the Age of Automation". This was got together by leading men from one end of this country to the other who have no political axe to grind, who in an objective way are assessing our situation today and looking into the future for tomorrow. What do they say? Going very briefly through these pages of this review and forecast issued by the Montreal *Gazette* we see, "Nation on new tack". This is by John A. Meyer, financial editor of the *Gazette*. Then he says, "An economy

shaped to national aspirations. Aim is sufficient independence, diversity and strength for maintenance of a political sovereignty".

Then, "Steel capacity increases"; this is Mr. H. G. Hilton, chairman and chief executive officer of the Steel Company of Canada. He also says, "Prices stable as efficiency gains." Then we have, "Steady banking growth. Accounts, loans, branches gain". That is written by H. W. Thomson, president of the Canadian Bankers' Association. I notice my hon. friends opposite are paying attention to these remarks.

An hon. Member: Unemployment is growing too.

Mr. Grafftey: "Hydro-thermal increase still 10.5 per cent." Then, "Chemical shipments rise"; "Wide gain in phones. Bell's services cross 3½ million". Then we see, "$6 billion in new life insurance". I intend to keep going here, Mr. Speaker. Then we see, "Mining output up shade"; "T.C.A. sets records".

I think the hon. member for Essex East would like to hear these remarks by Edwin H. Walker, president and general manager of General Motors of Canada Limited, "Good auto prospects. Car-truck purchases at new record". Then we see, "Nuclear program expands. New plant construction is speeded"; "Baby budget approach constructive", by Fred C. Mears, *Gazette* Ottawa bureau. He also says, "Economic self-dependence the goal—personal tax relief a possibility".

These are expressions of people from one end of the country to the other. Then we see, "Record nickel output. European consumption is heavier. Canada consolidates leading position". That is by Henry S. Wingate, chairman of the board of International Nickel of Canada Limited. Then we have, "Quebec economy stable. Main indexes retain upward trend". That is by the Hon. Andre Rousseau, minister of trade and commerce, province of Quebec. Then we see, "More farm mechanization. Implement sales are best in years". I will not be long—

An hon. Member: Keep going.

Mr. Grafftey: I shall not be long. "Our fur trade progresses—Looming larger internationally". "Meat consumption gains"—by K. R. Graydon, director of public relations, meat packers council of Canada. "Beef market trend quite stable". "Aluminum diversifies —Ever-widening range of products—Long term outlook is optimistic".

Mr. Chevrier: How is the textile industry doing?

Mr. Grafftey: It is having its difficulties, difficulties which this government is facing with a realistic policy. "Oil industry records—Some easing in rate of expansion". "More paint is sold—Dollar volume record set for year". "Iron Ore Company expands steadily". "Gains in asbestos—Volume higher, prices fairly stable".

Mr. Regier: And a high record of unemployment.

Mr. Harkness: What originality.

Mr. Grafftey: "Lumber outlook brightens —Dip in housing has severe effects, but good export volume seems likely".

I am sorry to take up so much time by reading so many of these facts into the record, but I underline that they are facts gathered together by leading men in industry, business and labour across this nation. They are facts which absolutely repudiate the pessimism and the doom and gloom which members opposite are preaching both inside and outside this House of Commons. So ask them to stop this nonsense and join with the government and join with all Canadians in our crusade of realistic optimism.

Mr. Regier: Where is the crusade? We have been waiting for it for a number of years.

Mr. Grafftey: Hon. members opposite have recently criticized the members of our cabinet for going from one end of this country to the other in past weeks. It is a fact that members of this cabinet were recently about the country for the simple reason that this government intends to stay in touch with the people. We are the party of the people, and the voice of the people is our strength. One of the reasons why the Canadian people decided to end the Liberal reign was that the former government became aloof from the people. I have heard Liberal backbenchers say they could hardly get appointments with ministers at the end of those long 22 years. The present ministers were out and about this country. The Prime Minister (Mr. Diefenbaker) was out and about this country. Members of parliament belonging to this party are going about their constituencies, because we have the intention of keeping in touch with the people. We know our mandate comes from the people of Canada, and unlike those who for so long behaved in a cool, quasi-intellectual way, we are going to keep in touch with the people. We are the party of the people and we understand what the aspirations and desires of all Canadians are.

Members opposite have criticized this government by saying its policies contain a high degree of nationalism. They say we are going to lose friends abroad. They say those policies contain a spirit of nationalism which can do nothing but harm Canada and lose our friends. I say that if the trend started by the

past Liberal administration were continued Canada would have become nothing but a banana republic. We believe that many of the things which have been done in this budget should have been done before. I repeat that this supplementary budget is anti-nobody; it is merely pro-Canadian. Let me briefly read some remarks which I have penned, with a friend of mine, in relation to the present budget.

The federal budget, like the early legislation which has been introduced at the present session, gives the impression of having been well conceived and planned. Regarding this spirit of nationalism of which some hon. members have made mention, I say the government's position is made clear in two paragraphs of the speech made by the Minister of Finance (Mr. Fleming). I should like to quote those two paragraphs because I think they are of primary importance:

> It has sometimes been asserted that the participation of foreigners in Canadian business and in our capital markets should no longer be welcome and that investment from abroad should be sharply curtailed by policies directed to this end. This is not the view of this government. The result of blocking out foreign investors and foreign investment would be to produce a "little Canada", cut off from many of the contacts with the outside world that have enriched our national life. We would become comparatively isolated, and most of us would be disappointed by the effects of our economic development.

The minister went on to say:

> As I have already made clear in this speech, and frequently on other occasions, it is my view that the Canadian economy has derived great benefits from the inflow of capital from abroad and benefits still continue to accrue. Our national development has been accelerated thereby; the breadth and depth of our industrial structure have been increased; the scope of productive occupations for our own citizens has been extended. There is no intention therefore of recommending policies antagonistic to foreign capital. To do so would not be in the best interests of Canada.

I think these two paragraphs must be underlined and borne in mind during this debate. They must be borne in mind by those who in an irresponsible fashion would like to pretend that this supplementary budget has undertones or overtones of narrow nationalism in it.

I should now like very briefly to discuss what are, in my opinion, some of the more important technical enactments contained in this supplementary budget.

The imposition of a 15 per cent withholding tax on the interest of federal and provincial government bonds represents one important legislative change. Federal government issues were previously exempt and provincial issues subject to 5 per cent. This action will deter the non-resident buying of treasury bills and short term government securities to take advantage of discrepancies in interest rates in the international money market. It thereby provides the Bank of Canada with freer action in monetary policy without being concerned that the action that should be taken would contribute to a strengthening of the false premium on the Canadian dollar.

Second, incentives earlier were introduced to enable provincial and municipal governments to finance in the New York market. In order to obtain a good reception to such issues legislation was introduced that such issues in United States funds would not be subject to the withholding tax applicable to other non-residents in the payment of Canadian dividends and interest. It is broadly accepted that it is no longer as desirable to have provincial and municipal governments financing in New York, in part because of our already high deficit in international payments—and in part because it adds to the false premium strength of the Canadian dollar. The reasoning is soundly based and it thereby makes sense to eliminate the incentive and to make the financing, regardless as to where it takes place, subject to a 15 per cent withholding tax when the interest and dividends are paid to a non-resident.

Thus the application of the 15 per cent withholding tax on the dividends of wholly owned non-resident subsidiaries only removes an inequity and makes the factors equal for all non-resident investors earning an investment income from the Canadian economy. The United States investment withholding tax with countries with which it does not have a reciprocal tax agreement, such as France, Switzerland, the Philippines and many others is 30 per cent.

A third thing I should like to mention is that the change in the customs tariff is complex but without transgressing the agreement of GATT. It gives the Minister of National Revenue (Mr. Nowlan) discretional authority to more effectively rule with respect to the provisions of section 6 of the Customs Tariff containing the anti-dumping clause which applies only to goods of a class or kind made or produced in Canada. It deals with a qualification of this last clause and defines class or kind more specifically and eliminates the loopholes under which small modifications are made and under which it is then claimed such goods are not produced in Canada. The new resolution proposes that in the case of goods custom-made to specifications they should be deemed to be of a class or kind made or produced in Canada if adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time. It is further provided that goods shall be

deemed to be of a class or kind made or produced in Canada if goods of approximately the same class or kind are made or produced in Canada. The change strengthens the anti-dumping clauses in the tariff structure.

I think these facts should be tabled at the present time to clarify general understanding in relation to the intentions of this supplementary budget.

The supplementary budget enacted tax considerations for those individuals who have children at universities. This enactment, coupled with the present government's attitude toward vocational schools in co-operation with the municipalities, underlies the real importance of education in our contemporary society.

(Translation):

And now, Mr. Speaker, I want to deal quite briefly with the Small Business Loans Act. During the recess and the holiday period I received many letters and telephone calls. Several people of my riding also came to see me about this bill.

Mr. Speaker, this bill is meant to provide employment for our Canadian workers this winter. Banks will be ready this month to grant loans.

(Text):

The hon. member for Kenora-Rainy River (Mr. Benidickson) suggested to the Minister of Finance (Mr. Fleming) yesterday that the banking officials were not aware of this legislation. How completely ridiculous. This is just not according to the facts. I recently received a phone call—

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

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to congratulate the vociferous, volatile and vehement hon. member for Brome-Missisquoi (Mr. Grafftey). I listened with great interest to his inspiring innocence. As I listened my mind went back to my freshmen days in college and the freshmen's debating club of 1909.

An hon. Member: Barber college?

Mr. Herridge: I did not attend the same college as the hon. member for Cariboo (Mr. Henderson). I was also reminded of a remark made, by a former prime minister of Great Britain, Mr. Disraeli, when referring to a speech to which he had listened made by the Right Hon. William Ewart Gladstone who had spoken with great confidence and assurance. Prime Minister Disraeli said—and this applies very well to the hon. member who has just taken his seat—"The hon. member when he is speaking speaks with much assurance, as if he had the political ace of trumps up his sleeve and the Deity had placed it there".

My topic this evening will be wrong-doing, wickedness and water and I shall relate those three words to the discussion of a subject which to some extent comes within the jurisdiction of the Minister of Finance (Mr. Fleming). I am pleased that the perceptive, patient, perambulating parliamentary secretary to the Minister of Finance (Mr. Bell) is in his seat. I trust he will bring my remarks to the attention of the minister tomorrow.

I wish to mention first of all the question of the repeated failures of small United States lumber companies in the interior of British Columbia whose owners and operators after bankruptcy disappear across the United States border. I have been asked to mention this by a large number of the persons affected. I bring it to the attention of the Minister of Finance in the hope that the situation will be reviewed to see if amendments can be made to the Bankruptcy Act to cover up what appear to be present loopholes and to see if some legislation can be introduced to protect the interests of Canadian working people and other Canadian creditors.

The most recent case brought to my attention is the failure of the Hilco Lumber Company, near Fruitvale, British Columbia. I attended a creditors' meeting. This is not my responsibility but my constituents have considerable confidence in my advice and in my willingness to do what I can to assist. I attended this meeting of about 100 people. There were present some 60 workingmen who had been employed for several months by this company. In addition there were storekeepers and other creditors. Some of the workingmen were owed as much as $900. They had been asked to continue working without pay from month to month. The scamps gave them some cheques and disappeared across the border. The lumber, of course, had gone across to the United States. These employees were left without anything in the nature of reimbursement for their services. Storekeepers, oil companies and other suppliers were left without payment for their goods. It was brought to my attention at the meeting that the company had collected income tax from the employees over a period of two years. Approximately $14,000 is owing to the income tax department.

When the employees went to the unemployment insurance office it was found the company had not purchased unemployment insurance stamps. There is some laxity in this respect and checking required for the protection of the workers involved.

To show the indignation of the citizens of the district in addition to those directly affected I shall read excerpts from letters received by me from various persons and organizations. Here is a letter from the minister of St. Paul's United church at Fruitvale, one paragraph of which reads:

With the other leaders of this community, I share their concern in the way the Hilco Logging Company has run off with the profits without paying their employees. I believe that you will be having a letter from the local ministerial association, for we have all been in homes badly hit by this. Please feel free to ask any help that we might give you so that this cannot happen again.

I have another letter from the Beaver Valley ministerial association addressed to me as the Hon. H. W. Herridge. I appreciate that this title is a little premature although possibly I am in the budding stage. The letter reads:

Dear Sir:

We ministers of the Beaver valley ministerial association feel a deep concern in finding many families in our community unjustly treated by the fiasco of the Hilco Lumber Company.

The injustice caused by the non-payment of wages has brought great hardship to families and businesses. The moral impact is something that is hard to gauge but the idea that "Hilco got away with it, so can we" is something to consider.

We are writing you in hopes that something can be done to clarify this situation and to prevent its recurrence anywhere in Canada.

Yours sincerely,

Rev. M. A. Switzer,
Fruitvale Full Gospel Assembly

Pastor W. D. Turnbull
Pentecostal Assemblies of Canada,
Beaver Falls

Rev. D. N. Robinson
St. John's Anglican Church, Fruitvale

Rev. L. C. Hooper
St. Paul's United Church, Fruitvale.

In addition to this, I was supplied with a résumé of the situation as it exists at the present time. I am not going to deal at length with this except to bring sufficient facts to the attention of the parliamentary secretary so that the matter can be reviewed to see whether something can be done to stop this recurring practice—

Mr. Bell (Carleton): Would the hon. gentleman suggest the nature of the legislation which he proposes?

Mr. Herridge: I am not a member of the legal profession, I am a forest farmer.

Mr. Bell (Carleton): I have been following the hon. gentleman with very great interest and I have been hoping that he would come to the point.

Mr. Herridge: I am not qualified to suggest what act should be amended or what legislation should be introduced but I am asking that the matter be reviewed. I am sure the parliamentary secretary to the minister and other hon. gentlemen of the legal profession on the other side, with their experience and knowledge of these things, are much more capable of, shall I say, discussing the technical and legal aspects of this question than I am. I am simply bringing the facts to the attention of the house and making the suggestions which have been brought to my attention by these people and by the leaders of the community and of other communities in southeastern British Columbia.

This company goes broke owing over half a million dollars. About $19,000 is due to the workers by way of wages. Many local businessmen are creditors. Federal and provincial governments are creditors, as I mentioned.

During the last 18 months about 12 million board feet of lumber was taken from the woods, most of same consisting of tamarac, cedar, fir, hemlock and balsam and was shipped to the Hill Lumber Company, also owned by Mr. Pidge, at Curlew, Washington.

Small shipments were made to other companies in Canada.

An unknown number of cheques have been issued which are in excess of the $19,000. They were issued to pay workers, subcontractors and creditors. Many have been returned in an insufficient funds condition. Some have been passed into local businesses which are unable to claim money from the men.

A study of accounts payable would indicate that moneys are owing to the federal and provincial governments. It is believed that seizure proceedings have been taken of the rough lumber remaining.

I bring this matter to the attention of the parliamentary secretary on behalf of these unfortunate people in the hope that consideration will be given to them. This is only one instance. I am informed that this rascal has done this twice before. I am informed he also operates lumber companies in the United States.

It seems to me there is a need for legislation that would protect Canadian citizens under these circumstances. It is the same old story. Wages are left unpaid; the operator ships the last 12 million feet of lumber across the line and disappears with it, telling the men that he will be back on Monday to pay their wages.

This is happening repeatedly. On this account, because of its recurrence and the unnecessary hardship that it creates, I do suggest that the government give consideration to amending the Bankruptcy Act. I say that because first of all the company went into voluntary liquidation. Then the creditors began to realize that voluntary liquidation might mean administration over a long period and there would not be much left for them, and they attempted to enter a petition of

bankruptcy. The creditors informed me that they could find no one on whom to serve a summons of petition of bankruptcy; there was no local agent, no officer and no office. There must be a loophole there. With respect to the Bankruptcy Act, some consideration should be given to amending it to prevent this type of thing happening, if it is at all possible. In addition to that, I suggest that possibly there could be some legislation which would require persons operating under those circumstances, who are not Canadian citizens, and who are obviously able to disappear overnight, to post some bond or something else with some provincial or federal authority to assure the payment of income tax, unemployment insurance tax, provincial taxes, wages and so on.

I have dealt with the case rather briefly, but I promised my constituents that I would bring this matter to the attention of the house and the minister, and I do urge that this problem be given some consideration.

In the few minutes time remaining to me, Mr. Speaker, I am going to speak about the proposed development on the Columbia river. I am not going to deal with the issue at stake, whether this is good or that is good, but I have been asked by those opposed to the high Arrow dam in my district to mention this in the house and to give the house some idea of the organized opposition. When hon. members receive literature, as they will from now on from this committee, and possibly have representations made to the caucuses of the various parties, and the government and others receive representations they will understand the well organized opposition that exists. This protest arises out of the building of the high Arrow dam. I am not going into that except to indicate that it means the destruction of 18 communities and the flooding of 40,000 acres of forest and agricultural land and the displacement of 1,700 people, the most of whom have nowhere to go because the water will come up the mountainside.

I have seen references in the press to the fact that I am the owner of property that might be flooded. This is incorrect. My wife is the owner of the property; I live there under sufferance. We are more fortunate than others. We are losing a beautiful beach and besides that we shall probably lose a log cabin. However we can move back a thousand feet or so and rebuild, but many people cannot. Their beaches will be destroyed, their orchards, their fields, their houses and so on. In addition to that, the whole of the industrial area of Revelstoke will be flooded and destroyed. Nothing will be left but the upper town if this flooding occurs. The lumber mills, the pole yards, the peeling plants, the treating plants and the shipping facilities for all these forest products will be flooded.

Mr. Macdonnell: I am puzzled by one thing. We know that this matter has been under review for years. Has there been no opportunity for representations such as the hon. member is now referring to, to be made in the past?

Mr. Herridge: Mr. Speaker, when this matter has been mentioned to members of the present government I think up to this time they have rightly said the place to go to, or the responsibility is that of the provincial government. Fundamentally, the natural resources are the responsibility of the provincial government. Representations have been made. I might say that I have a telegram here tonight from the president of the Conservative association who wants to know when they can come here and go before the external affairs committee. I am speaking for many people who support all parties in this house. This is a completely non-partisan presentation on my part, Mr. Speaker. The people for whom I am speaking support General McNaughton's view. They are good citizens. They would not object to this destruction of natural resources and dislocation if it was necessary, if there was not some other way of developing the Columbia. That is their point. General McNaughton says it is only necessary to raise the water level of the Arrow lakes for 130 miles to mean high water and that it can be done so as not to flood out anyone and then store the rest of the water behind Mica creek dam. However, I am not going into that. I want to deal with the organization of the people. It is a rank and file movement and we have some interesting and capable characters in our organization. I am a member of the committee.

Mr. Brunsden: On a point of order, Mr. Speaker, the hon. member is discussing the honest people who live in his constituency, apart from those who have left for the United States. He is discussing the Columbia river program and I ask you, sir, in all humility whether this matter comes within the purview of the budget debate.

Mr. Herridge: Mr. Speaker, I think I am quite correct because the Minister of Finance (Mr. Fleming) will be the minister chiefly responsible for concluding the financial arrangements with the provincial government to make possible the building of these dams. I think the practice is that a general discussion is allowed on a budget debate.

Mr. Speaker: Unless there is some rule against the subject matter the debate is fairly wide ranging as is the throne speech debate, the time allotted for which was not used this session. Therefore I would think it would not be out of order to discuss affairs fairly broadly provided one does not anticipate discussion of a matter which is on the order paper so as to create duplication. There was a suggestion that this matter would be discussed but it is not on the order paper and I think it would be too severe to restrict the debate.

Mr. Herridge: I want to thank the hon. member for Medicine Hat (Mr. Brunsden) for his assistance in proving that I am even more in order than I thought I was. I wish to bring to the attention of members of the house the people who are involved in this organization. The organizations who are opposed not to the development of the Mica creek dam or the development suggested by General McNaughton but to this high Arrow dam are: the chambers of commerce of Revelstoke, Nakusp, lower Arrow lakes, Castlegar and Nelson, the city council of Revelstoke, the mine, mill and smelter workers union of British Columbia, the B.C. federation of labour, the B.C. auto courts and resorts association, the west Kootenay farmers' institute, the west Kootenay's women's institute—God bless the women—the Arrow boat club of Castlegar, the Nakusp launch club, the Nakusp livestock breeders' association and numerous other local organizations. You can see that there is solid foundation of people from all walks of life, business, labour and farmers.

These people have met and have elected what is known as the Arrow lakes and Revelstoke city water resources committee. The members of the committee were elected to represent these groups and the people for the purpose of making representations to the federal and provincial governments, and I am very glad to hear that they will have the opportunity to make representations to the external affairs committee of this house.

They have secured as their engineering consultant Mr. F. J. Bartholomew, a consulting electrical engineer of Vancouver who has had a lot of experience with hydro developments and construction. In addition, they have Mr. Boyd Affleck, an engineer from Nelson, B.C., and the assistance of quite a number of other engineers who are turning up from all sorts of places and who are willing to assist in the preparation of briefs some of whom have also indicated that they are willing to come to Ottawa with Mr. Bartholomew and others to explain their views and give their opinions before the external affairs committee.

I might say at this time that the committee is raising money and it is surprising how concerned and interested people are. They are collecting funds. They have collected nearly $1,000 on the Arrow lakes and the city of Revelstoke is now collecting funds. The people are behind this movement. I happened to visit Revelstoke on the way to Ottawa and addressed a public meeting at the invitation of the chamber of commerce at which members of the municipal council, the chamber of commerce and the public were present. They were representative of all political parties and I never saw a group of people in a city so solidly behind a movement no matter what their party politics are. Once this flooding happens the economic life of the city of Revelstoke will disappear with the exception of the trade from a declining number of C.P.R. employees who stop off there between trains because the divisional points are now Vancouver and Calgary.

To illustrate the interest in the campaign I might say that on Christmas morning a pioneer rancher on the upper Arrow lakes by the name of John Nelson telephoned me and said, "I want to tell you that I was up until Christmas day posting literature on the Galena bay wharf opposing the high Arrow dam and I am sending a cheque for $100". That is the way it is up and down the lakes. If hon. members know of anyone who is willing to subscribe to the fund for the campaign against the destruction of the natural resources of the Arrow lakes, tell them to write to the secretary of the water resources committee, Nakusp, B.C., or the secretary of the committee of the chamber of commerce of Revelstoke. They would be very pleased to receive donations. I may say we have had donations from the Okanagan and from some persons on the coast who are interested in this matter.

Literature is being printed and distributed to members of parliament and members of the provincial house. I urge you to read this literature so that you will have some understanding of this most difficult problem. It is a difficult problem to understand thoroughly unless one lives in the area. I have travelled in Indian canoes on the Columbia. No member of the house knows more about the Columbia than I do, not because I am a wiser person but because I happen to have lived there the greater part of my life. I know the circumstances, I know the depth of water in all the different channels, where the bays are and the dam sites will be and that sort of thing. I should know that because I have lived there. I ask members to study this

literature and get some grasp of the attitude of these people in the district which I have the honour to represent because their attitude is completely non-partisan and Canadian.

As a matter of fact, if my own party supported the high Arrow dam I would vote against it but thank goodness my party stands for the preservation of our natural resources and is opposed to any unnecessary destruction of the same. Now, Mr. Speaker, I will say in reply to the hon. member for—

Mr. Macdonnell: Greenwood.

Mr. Herridge: —Greenwood—I always think in terms of his former constituency—that the Arrow lakes and Revelstoke city water resources committee did go to Victoria on December 28 and met Mr. Williston, the minister of lands and forests. A brief was presented by Mr. F. J. Bartholomew, the consulting engineer. He had sent the brief a week previously to Mr. Williston and his engineers had studied it. As a matter of fact, after four and a half hours' discussion they had very little criticism of the brief except on two points. One was that his projections of power use in British Columbia for the next ten-year period were not correct, that he should have based them on the expansion period in the states to the south during the war. I cannot see that because that was an abnormal period. The second point was that the storage in low Arrow was not entirely artificial because we have natural storage owing to the water being backed up by the narrow channels but the water there is not held to be used at the time it is required.

I am very interested in this because lately we have received an analysis and progress report initiated by the negotiating committee of the United States. It is a report on the proposed treaty arrangements and as soon as they showed it to the committee Mr. Williston said, "That is just Eisenhower propaganda; the Americans admit a lot of mistakes in it". I notice, however, Mr. Speaker, that in the copy of the treaty that I have on my desk and the appendix, the figures in the report, are based on table 3. This table in the appendix to the signed treaty is stated to be an extension of the table appearing in the analysis and progress report issued by the United States Columbia river negotiator on October 19, 1960. The report was prepared by the Bonneville power administration and the United States army engineers who are responsible for this type of document in the United States. Mr. Williston was wrong, therefore, in saying that this was Eisenhower propaganda and inaccurate.

Then, Mr. Williston addressed a meeting in Nelson on January 9 and he said there was still much work to be done by the committee and he was reluctant, for various reasons, to say that they would be able to proceed. I have a copy of the stenographic notes taken at the meeting in Victoria with Mr. Williston and the question was asked, what about contingencies such as earthquakes or the discovery that Mica, for example, might cost twice the estimate. Did Canada still have to build? He said no, and alternative sites were suggested such as Calamity curve, and so on. When I read this sort of thing I am very suspicious that this Mica creek dam is going to be built at all.

There are a good many other things mentioned in these notes. Incidentally, he made reference to the proposed treaty in terms which indicated that he did not necessarily agree with all its terms. When it was reported to me, I said, surely this must have been initialled or accepted by a representative of the government of British Columbia. In any event, I mention these things to indicate the reason for the concern of the people in my district.

Now, I was very pleased, and the people I represent were very pleased, to note that these organizations will have an opportunity to make representations to the external affairs committee. I am certain they will receive a courteous and sympathetic hearing.

Mr. Speaker: Order. I do not want to interrupt the hon. member, but his time has expired.

Mr. G. H. Aiken (Parry Sound-Muskoka): In the few minutes that are left before ten o'clock there is one point I should like to make. During this debate we are actually speaking on the budget and on the amendment which was made. Several questions have been asked, and several times the same question has been asked, why did the Minister of Finance (Mr. Fleming) bring down a budget at this time and what good did it do? There is one thing that a budget at this time did, Mr. Speaker, and I think it deserves the commendation of everyone. While the Canadian trade balance has been adverse, the Minister of Trade and Commerce (Mr. Hees) has made tremendous efforts to increase our trade.

One of the most difficult things that we have had to meet has been the currency exchange rate. The fact that the Canadian dollar has been high in relation to the United States dollar has been one of the difficulties facing our exporters. It has caused a great deal of trouble. As a result of the announcement made by the Minister of Finance in the budget, the dollar has very nearly reached par. At the moment there is only a difference of five eighths of one per cent between the

Canadian and the United States dollar. This makes it very much easier for the exporter to sell his products outside Canada at a price which will compete with goods offered in other countries.

Then, too, the achievement of near parity with the United States dollar will be of great assistance to the people in the tourist and catering industries in this country. This has always been one of the things to be met when United States visitors came to Canada. There may be only a few cents difference and the visitors do not mind paying. However, in Canada we have those people who will collect the odd few cents, and in some cases this is necessary, but in so doing they lose a great deal of trade. This achievement of near parity with the United States dollar will do a great deal for our tourist industry and our catering industry during the coming season. We hope that the dollar will remain at par or very close to it. If it does, I am sure it will be a great spur both to our tourist industry and to our exporters in this country.

I have other remarks to make, Mr. Speaker, and I have a plan to evolve arising out of the budget, the speech from the throne and the items of legislation that the government proposes. When this debate resumes I should like to deal with these subjects in greater detail, but I should like now to call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I have some indication of the business for tomorrow, and will the acting house leader be good enough to indicate the order in which these resolutions will be taken?

Mr. Nowlan: Mr. Speaker, tomorrow we intend to leave the debate on the budget and proceed with the setting up of committees. Speaking now from the routine proceedings and the numbers stated therein, the first item with which we will deal tomorrow will be No. 6, the setting up of the committee with respect to procedure of the House of Commons. I must say, Mr. Speaker, that the Prime Minister's plane coming from Washington was very much delayed tonight and I have not consulted with him about any commitments he may have for tomorrow. I assume he will be here and we will deal with that as the first item of business tomorrow.

The next item will be No. 9, the setting up of the joint committee on Indian affairs. The next item will be No. 10, which is a resolution in the name of my colleague the Minister of Transport concerning the sessional committee on government railways and Trans-Canada Air Lines. The next one, No. 8, is a minor matter dealing with the setting up of the committee on broadcasting.

After we have concluded the setting up of these commitees tomorrow, we will then proceed with item No. 2, an act in the name of my colleague the Minister of Finance; No. 3, an act in the name of the Minister of Finance and No. 4, an act in the name of the Minister of Transport. I assume that by that time we will have arrived at nearly six o'clock, and we will then consider what we will do next.

Mr. Chevrier: May I have some indication of the business for Friday, in view of the fact that Thursday is a private members' day?

Mr. Nowlan: I am sorry, Mr. Speaker, but at the moment I do not want to be definite with respect to Friday. Thursday, as my hon. friend knows, is private members' day. I assume—at least I do not want to be definite, so let us speculate on the fact that we will be dealing with legislation on Friday. I do not want to make a definite commitment on that until tomorrow.

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

ANSWER TO QUESTION

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

OPIUM AND NARCOTIC DRUG ACT—LEGAL FEES

Question No. 30—**Mr. Howard:**

1. Since January 1, 1954, have any fees or remuneration been paid to legal counsel for activities pursuant to the Opium and Narcotic Drug Act?

2. If so, what are the names and addresses of each person, the amount paid, the purpose of each payment, and the date upon which each was made?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1. Yes.

2. Names and addresses of each person, the amount paid, and the date upon which each was made are listed hereunder. All payments related to legal fees and expenses incurred by legal counsel retained as agent of the Minister of Justice to act for this department in prosecutions for offences committed under the Opium and Narcotic Drugs Act.

Name and Address, Date and Amount—

Adam, G., 60 St. James St. W., Montreal, P.Q., September 1956, $408.00.

Agro, Cooper, Zaffiro, 15 King St. W., Hamilton, Ont., September 1957, $64.75; March 1958, $66.00.

Barrette, Raphael, 44 Ste Cecile St., Valleyfield, Que., October 1959, $140.45.

Bence, A. H., Birks Building, Saskatoon, Sask., January 1960, $557.90; March 1960, 866.20; June 1960, $329.00; June 1960, $913.85; June 1960, $276.21.

Blackwell, Hilton, Treadgold & Spratt, 372 Bay St., Toronto 1, Ont., February 1958, $122.00; May 1958, $45.00; May 1958, $112.00; June 1958, $134.50; July 1958, $129.25; July 1958, $91.50; August 1958, 58.00; August 1958, $143.50; October 1958, $306.00; November 1958, $364.00; December 1958, $199.75; December 1958, $76.00; January 1959, $81.00; January 1959, 107.50; January 1959, $2,687.50; February 1959, $177.00; March 1959, $342.00; March 1959, $1,250.85; March 1959, $28.00; March 1959, $1,583.25; May 1959, $916.70; May 1959, $55.00; June 1959, $295.00; June 1959, $910.00; June 1959, $7.00; July 1959, $671.65; July 1959, $555.00; July 1959, $120.50; August 1959, $519.50; August 1959, $249.25; August 1959, $640.10; October 1959, $42.00; November 1959, $546.60; November 1959, $71.00; December 1959, $2,329.49; December 1959, $111.00; December 1959, $228.80; December 1959, $418.50; January 1960, $283.00; January 1960, $215.75; February 1960, $638.00; February 1960, $63.25; February 1960, $25.50; March 1960, $232.25; March 1960, $100.50; April 1960, $251.00; April 1960, $2.85; April 1960, $491.25; April 1960, $706.30; May 1960, $110.75; May 1960, $78.00; May 1960, $3,194.50; June 1960, $273.25; June 1960, $370.75; June 1960, $211.01; August 1960, $1,391.65; August 1960, $70.50; August 1960, $153.00; September 1960, $84.00; September 1960, $170.40; October 1960, $70.50.

Brent, Harvey, M., 17 King St. E., Cobourg, Ont., May 1960, $669.50.

Brown, D. M., 850 Hastings Street, Vancouver, B.C., January 1954, $618.70; January 1954, $546.30; January 1954, $823.75; February 1954, $839.41; February 1954, $1,025.90; March 1954, $1,701.71; April 1954, $588.20; April 1954, $262.00; April 1954, $2,420.42; June 1954, $1,101.43; July 1954, $1,766.90; July 1954, $21.50; July 1954, $2,783.00; July 1954, $616.05; August 1954, $343.78; September 1954, $1,297.15; December 1954, $3,716.21; December 1954, $37.00; February 1955, $776.24; February 1955, $331.06; February 1955, $2,348.52; March 1955, $1,343.38; March 1955, $1,409.58; April 1955, $573.56; April 1955, $620.73; May 1955, $1,007.81, June 1955, $4,108.73; June 1955, $2,401.45; July 1955, $1,938.00; August 1955, $640.16; August 1955, $394.00; October 1955, $206.50; October 1955, $622.98; November 1955, $626.84; November 1955, $1,848.36; December 1955, $2,906.38; December 1955, $77.00; December 1955, $719.83; December 1955, $35.00; December 1955, $1,036.12; January 1956, $1,879.45; January 1956, $887.83; February 1956, $362.68; February 1956, $709.50; March 1956, $3,502.07; May 1956, $727.50; May 1956, $827.52; May 1956, $1,304.64; May 1956, $1,154.54; June 1956, $1,603.57; July 1956, $1,395.26; August 1956, $616.28; August 1956, $1,390.64; August 1956, $148.80; September 1956, $113.68; October 1956, $77.90; October 1956, $198.90; November 1956, $1,371.77; November 1956, $1,044.24; December 1956, $430.86; December 1956, $1,080.18; January 1957, $4,411.92; January 1957, $969.59; January 1957, $812.04; March 1957, $620.50; May 1957, $630.00; May 1957, $351.00; May 1957, $1,598.76; May 1957, $211.05; August 1957, $808.77; August 1957, $41.06.

Calbick, Calbick, Timmins, Ont., June 1959, $200.00.

Chevalier, Francois Me., 119 Hotel de ville St., Hull, P.Q., January 1955, $327.70; February 1955, $62.00.

Cowan, Twining, 702-475 Howe St., Vancouver, B.C., February 1958, $888.42; February 1958, $1,318.28; February 1958, 1,049.04; February 1958, $58.40; February 1958, $98.94.

Cowan, Twining & Collins, 702-475 Howe St., Vancouver, B.C., May 1958, $190.00; May 1958, $107.00; May 1958, $609.31; May 1958, $1,149.12; May 1958, $58.00; June 1958,

$725.16; June 1958, $69.50; July 1958, $759.70; August 1958, $275.00; September 1958, $2,186.48; September 1958, $1,100.50; September 1958, $411.50; October 1958, $118.95; October 1958, $455.50; October 1958, $308.50; October 1958, $82.50; November 1958, $727.85; November 1958, $400.35; November 1958, $76.80; December 1958, $129.50; December 1958, $378.86; December 1958, $906.70; January 1959, $512.76; January 1959, $325.16; February 1959, $1,392.71; February 1959, $1,069.55; February 1959, $537.45; February 1959, $98.00; March 1959, $1,057.31; March 1959, $614.90; March 1959, $252.16; March 1959, $44.50; March 1959, $288.20; March 1959, $101.00; March 1959, $211.50; March 1959, $366.32; June 1959, $578.50; June 1959, $213.05; June 1959, $897.10; July 1959, $76.00; July 1959, $446.45; July 1959, $381.00; July 1959, $481.00; July 1959, $1,149.00; September 1959, $165.00; October 1959, $171.75; October 1959, $51.00; December 1959, $909.05; December 1959, $166.80; January 1960, $404.50; January 1960, $387.50; January 1960, $168.00; January 1960, $933.10; February 1960, $311.25; March 1960, $410.95; April 1960, $61.25; April 1960, $1,121.82; April 1960, $672.60; May 1960, $1,346.25; June 1960, $1,055.77; August 1960, $1,122.50; August 1960, $1,894.10; October 1960, $2,380.45; October 1960, $1,367.95.

Crease & Co., Victoria, B.C., January 1958, $83.50; January 1958 $27.15.

Cromarty, J. D., Welland, Ont., May 1954, $545.88.

Cragg, E. F., Halifax, N.S., April 1955, $40.00; March 1956, $40.00; May 1956, $87.00.

Craig & Black, Vancouver, B.C., May 1958, $163.00.

Cullinane, T. R., Prince George, B.C., September 1954, $169.00.

Cunningham & Cunningham, 34 Clarence St., Kingston, Ont., October 1958, $100.00; November 1959, $535.20.

Dansereau, Dollard, 507 Place d'Armes, Suite 810-811, Montreal, P.Q., January 1958, $302.75; May 1958, $1,607.00; October 1958, $230.00; October 1958, $183.00; March 1959, $86.00; August 1959, $457.00; January 1960, $92.00; April 1960, $54.00; August 1960, $467.00.

Dave and Williams, P.O. Box 1621, Duncan, B.C., July 1958, $35.20; November 1958, $567.90.

Deacon, Thomas, R., 357 Bay St., Toronto, Ont., December 1957, $85.00; January 1958, $85.00; May 1958, $125.00; May 1958, $445.00; June 1958, $202.75; July 1958, $91.25; July 1958, $61.25; August 1958, $117.50; October 1958, $523.75; October 1958, $318.75; October 1958, $52.50; November 1958, $162.50; November 1958, $172.50; December 1958, $105.00; December 1958, $162.50; February 1959, $95.00; February 1959, $754.70; February 1959, $110.00; March 1959, $818.06; March 1959, $102.50; March 1959, $184.00; March 1959, $270.00; June 1959, $315.00; June 1959 $112.50; August 1959, $145.00; September 1959, $102.50; September 1959, $102.50; September 1959, $500.00; September 1959, $647.50; December 1959, $350.00; December 1959, $120.00; December 1959, $205.00; December 1959, $915.50; February 1960, $147.50; March 1960, $77.50; March 1960, $102.50; April 1960, $102.50; April 1960, $412.50; April 1960, $195.00; April 1960, $502.98; May 1960, $1,838.35; May 1960, $747.90; May 1960, $1,387.46; June 1960, $97.50 June 1960, $495.00; June 1960, $210.00; July 1960, $83.50; August 1960, $178.75; August 1960, $544.25; August 1960, $52.50; August 1960, $232.50; September 1960, $207.50; September 1960, $132.50; October 1960, $75.00; October 1960, $65.00.

Desjardins, Ducharme, Beauregard & Choquette, 261 St. James St. West, Montreal, P.Q., May 1956, $597.75; February 1957, $3,765.45; March 1957, $603.75; April 1958, $961.00; May 1958, $802.75; June 1958, $841.75; June 1958, $512.25; June 1958, $69.50; October 1958, $1,002.95; March 1959, $217.00; May 1960, $114.50.

Dingwall, G. William, 600 University Ave., Toronto, Ont., November 1957, $30.00; December 1958, $862.25.

Donovan, J. L., Winnipeg, Man., November 1955, $5.00.

Dorfman, Irwin, 306 Paris Bldg., 259 Portage Ave., Winnipeg, Man., March 1955, $242.04; April 1955, $534.47; May 1955, $454.26; May 1955, $405.79; June, 1955, $259.10; July 1955, $775.62; July 1955, $358.00; September 1955, $390.54; September 1955, $65.04; September 1955, $287.44; October 1955, $113.04; December 1955, $492.50; December 1955, $367.00 December 1955, $1,029.63; January 1956, $895.09; February 1956, $248.50; February 1956, $694.73; February 1956, $159.54; May 1956, $2,356.45; May 1956, $181.50; May 1956, $506.00; June 1956, $291.54; July 1956, $1,002.46; July 1956, $284.82; August 1956, $96.00; October 1956, $163.00; November 1956, $702.39; November 1956, $472.00; February 1957, $672.50; April 1957, $235.25; April 1957, $304.50; May 1957, $259.00; July 1957, $1,073.00; July 1957, $189.50; November 1957, $514.25; November 1957, $1,478.75; January 1958, $1,562.35; January 1958, $1,920.88; January 1958, $8.60; May, 1958, $705.30; November 1958, $994.25; December 1959, $2,373.16; August 1960, $936.55.

Downey, D.F., 1306 Canada Permanent Bldg., Toronto 1, Ont., January 1954, $73.00; February 1954, $44.50; March 1954, $33.00; April 1954, $288.00; April 1954, $63.00; April 1954, $355.50; July 1954, $29.50; July 1954, $260.05;

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September 1954, $47.00; November 1954, $86.50; November 1954, $362.60; December 1954, $321.75; January 1955, $181.00; February 1955, $128.50; March 1955, $103.50; March 1955, $62.00; March 1955, $309.15; April 1955, $60.00; May 1955, $172.50; June 1955, $165.50; July 1955, $58.50; August 1955, $85.00; August 1955, $56.50; November 1955, $37.00; December 1955, $205.00; December 1955, $70.50; January 1956, $31.50; February 1956, $147.00; March 1956, $65.75; March 1956, $52.00; March 1956, $48.25; May 1956, $28.25; June 1956, $194.00; June 1956, $58.25; June 1956, $216.00; July 1956, $58.25; July 1956, $38.25; August 1956, $128.50; September 1956, $47.00; October 1956, $50.75; November 1956, $85.75; November 1956, $125.25; November 1956, $167.75; November 1956, $45.75; January 1957, $30.75; February 1957, $68.25; March 1957, $97.75; March 1957, $39.50; April 1957, $159.25; June 1957, $234.00; June 1957, $8.10; July 1957, $146.00; July 1957, $48.25; August 1957, $98.25; May 1958, $357.50; June 1958, $470.00.

Drost, Drost, Coultas, Pearkes, 202 Inns of Court, 678 Howe Street, Vancouver 1, B.C., March 1960, $566.00; May 1960, $1,024.50; May 1960, $1,022.00; June 1960, $724.00; May 1960, $930.50; September 1960, $3,244.50; October 1960, $857.00.

Duffy, P.S., 171 Yonge St., Toronto, Ont., December 1957, $85.00; December 1957, $60.00; December 1957, $110.00; February 1958, $70.00; May 1958, $85.00; May 1958, $2,264.00; June 1958, $75.00; June 1958, $75.00; July 1958, $910.00; July 1958, $145.00; August 1958, $530.45; August 1958, $40.00; August 1958, $65.00; October 1958, $270.00; October 1958, $140.00; November 1958, $322.50; January 1959, $233.00; January 1959, $100.00; January 1959, $547.80; March 1959, $85.00; March 1959, $180.00; March 1959, $1,051.70; March 1959, $80.00; March 1959, $278.10; June 1959, $70.00; June 1959, $270.00; July 1959, $65.00; July 1959, $935.75; August 1959, $170.00; August 1959, $65.00; September 1959, $255.00; September 1959, $28.00; September 1959, $275.00; September 1959, $190.00; December 1959, $393.00; December 1959, $90.00; December 1959, $30.00; January 1960, $425.00; January 1960, $110.00; January 1960, $86.20; February 1960, $290.00; February 1960, $130.00; March 1960, $100.00; April 1960, $355.00; April 1960, $125.00; April 1960, $185.00; May 1960, $60.00; May 1960, $60.00; June 1960, $65.00; June 1960, $100.00; June 1960, $50.00; August 1960, $435.00; August 1960, $466.40; August 1960, $85.00; August 1960, $60.00; September 1960, $125.00; September 1960, $125.00; October 1960, $75.00.

Duncan & Alexander, 28 Mary St., Hamilton, Ont., March 1958, $108.00; May 1958, $70.00; July 1958, $41.00; October 1958, $135.00; October 1958, $272.00; November 1958, $74.75; August 1959; $90.00; January 1960, $45.00; August 1960, $105.00.

Duncan, Wasson & Ross, 717 West Pender St., Vancouver, B.C., January 1958, $217.50; January 1958, $3,694.50; January 1958, $289.00; January 1958, $21.30; February 1958, $22.50; March 1958, $914.50; March 1958, $75.13; May 1958, $698.00; July 1958, $227.50; July 1958, $282.50; August 1958, $397.50; August 1958, $90.00; August 1958, $218.90; October 1958, $542.50; October 1958, $127.50; October 1958, $265.50; November 1958, $206.50; November 1958, $1,199.90; November 1958, $241.00; November 1958, $1,909.10; December 1958, $278.00; January 1959, $546.00; January 1959, $969.30; January 1959, $1,515.27; January 1959, $437.00; February 1959, $1,988.20; March, 1959, $150.00; March 1959, $2,463.35; March 1959, $125.00; March 1959, $530.00; March 1959, $736.00; June 1959, $582.10; July 1959, $486.00; July 1959, $59.50; August 1959, $313.50; September 1959, $59.50; September 1959, $70.00; September 1959, $298.70; September 1959, $387.50; September 1959, $192.00; September 1959, $90.00; September 1959, $59.50; October 1959, $282.50; November 1959, $41.80; December 1959, $383.00; January 1960, $1,626.70; January 1960, $1,486.00; January 1960, $1,482.00; February 1960, $2,134.25; March, 1960, $1,062.00; April 1960, $120.00; May 1960, $2,467.25; June 1960, $1,982.00; August 1960, $1,273.50; August 1960, $1,574.25;

Drury, J. S., Royal Bank Bldg., Dartmouth, N.S., March 1958, $228.40.

Dynes, Charles G., 21 Main St. E., Hamilton, Ont., March 1953, $276.00; April 1953, $137.00; February 1955, $35.00; October 1955, $53.00; February 1956, $72.00; May 1956, $98.00; August 1956, $227.50; October 1956, $86.00; June 1957, $291.50; June 1957, $10.35; January 1958, $7.50; January 1958, $339.00; February 1958, $23.00.

Edwards, T. A., 241 Tegler Bldg., Edmonton, Alta., January 1955, $95.00.

Edwards, Edwards & Edwards, 3613 Kingsway, South Barnaby, B.C., March 1957, $85.00; April 1957, $290.00; July 1957, $310.00; July 1957, $28.66; July 1957, $180.00; July 1957, $18.83.

Facer, Shea & Mossop, Room 221, Stevens Bldg., Sudbury, Ont., September 1960, $217.50.

Fanjoy, Robert J., Minto, N.S., June 1960, $43.42.

Farquharson & Daly, Peterborough, Ont., February 1958, $30.00.

Ferguson, G. A., Saskatoon, Sask., February 1956, $100.00.

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Fisher, Thomas K., 409-410 Westminster, Trust Bldg., 713 Columbia St., New Westminster, B.C., January 1954, $150.00; October 1955, $60.00; May 1956, $512.15; October 1957, $200.00.

Ford, G. W., 320 Bay St., Toronto 1, Ont., October 1957, $351.50; December 1957, $191.50; December 1957, $114.50; May 1958, $3,362.55.

Fraser & McPherson, Canada Building, Windsor, Ont., March 1958, $277.50.

Gobeil, Pierre, La Malbaie, P.Q., August 1959, $110.60.

Goetz & Dietrich, 1015-17 McCallum Hill Bldg., Regina, Sask., October 1958, $1,169.15.

Goodman, Goodman, 1018 Federal Bldg., 85 Richmond St., West, Toronto 1, Ont., October 1957, $71.00; December 1957, $39.00; December 1957, $83.00; December 1957, $49.00.

Goss, B. Frank, New York, N.Y., May 1955, $495.00.

Gregory, Grant & Cox, 401-8 Bank of Toronto Bldg., Victoria, B.C., January 1954, $700.50; May 1954, $721.15; May 1954, $289.25; June 1954, $26.70; February 1955, $73.00; March 1955; $906.90; January 1956, $129.00.

Gregory, G. F., Victoria, B.C., May 1956, $111.50.

Griffin, Parker, Jones, Weatherston, Bowlby, Soule & Soule, 118 Main St. East, Hamilton, Ont., October 1957, $61.60; February 1958, $42.00; May 1958, $306.00; July 1958, $137.00; August 1958, $153.00; October 1958, $161.50; March 1958, $150.00; May 1959, $320.50; May 1959, $45.00; August 1959, $112.50; October 1960, $477.00.

Guertin, Paul Emile, Sorel, Quebec, January 1958, $27.50.

Gunn & Gunn, Sydney, N.S., February 1958, $112.50; February 1958, $106.00.

Hancock, Currie & Kidd, 159 Main St., Galt, Ont., September 1959, $172.10.

Heffernan, H. Wilfrid, 850 West Hastings St., Vancouver 1, B.C., May 1957, $114.65; May 1957, $1,959.55; August 1957, $2,909.84; August 1957, $56.42; August 1957, $240.75; August 1957, $30.60; November 1957, $944.00; December 1957, $983.88; December 1957, $3.20; January 1958, $6,841.65; January 1958, $469.60; February 1958, $2,207.18; February 1958, $150.84; February 1958, $391.65; February 1958, $106.25; March 1958, $185.00; March 1958, $53.70; May 1958, $1,047.26; May 1958, $944.50.

Hill, George W., Suite 200 - 170 Dorchester Blvd., B., Montreal, Que., September 1956, $720.00.

Hilton, John D., Sterling Tower Bldg., 372 Bay St., Toronto, Ont., September 1960, $125.00.

Houston, Edward J., 77 Metcalfe St., Ottawa, Ont., March 1958, $66.00.

Hudson, F. R., Baddeck, N.S., October 1958, $97.00.

Hutcheson and Maitland, 9th Floor Royal Trust Bldg., 626 Pender St. West, Vancouver 2, B.C., December 1957, $211.50; December 1957, $2.00; January 1958, $398.25; January 1958, $439.75; January 1958, $2.00; February 1958, $347.00; May 1958, $224.20; May 1958, $455.75; May 1958, $1,357.25; June 1958, $283.70; June 1958, $415.70; June 1958, $566.50; July 1958, $261.50; August 1958, $10.00; September 1958, $616.50; October 1958, $274.25; November 1958, $202.00; November 1958, $183.50; November 1958, $82.75; November 1958, $739.00; November 1958, $292.25; November 1958, $214.50; November 1958, $103.25; December 1958, $43.50; December 1958, $153.50; January 1959, $79.50; January 1959, $530.64; February 1959, $140.25; February 1959, $336.15; February 1959, $24.75; March 1959, $576.65; March 1959, $680.60; March 1959, $382.50; March 1959, $82.00; March 1959, $95.25; March 1959, $218.00; March 1959, $280.40; March 1959, $67.50; June 1959, $864.35; June 1959, $1,543.95; June 1959, $1,313.05; July 1959, $243.25; July 1959, $330.50; August 1959, $331.25; August 1959, $132.75; September 1959, $24.75; September 1959, $89.25; September 1959, $280.00; October 1959, $3,332.95; December 1959, $156.00; December 1959, $431.75; December 1959, $417.75; January 1960, $99.75; January 1960, $109.75; January 1960, $2,041.00; March 1960, $767.25; May 1960, $684.75.

Kelly, William E., 801 Canada Trust Bldg., Windsor, Ont., April 1954, $331.00; April 1954, $422.40; April 1954, $68.00; April 1954, $1,260.20; May 1954, $38.00; May 1954, $92.00; June 1954, $368.50; June 1954, $197.00; August 1954, $210.00; August 1954, $86.00; September 1954, $170.45; October 1954, $157.45; November 1954, $565.07; December 1954, $441.50; January 1955, $35.00; January 1955, $145.00; March 1955, $432.58; March 1955, $430.45; April 1955, $135.00; July 1955, $56.00; July 1955, $312.75; July 1955, $369.15; October 1955, $58.00; December 1955, $100.00; December 1955, $85.00; January 1956, $48.00; March 1956, $55.00; May 1956, $290.00; May 1956, $414.32; June 1956, $262.00; July 1956, $266.00; October 1956, $450.00; December 1956, $236.60; January 1957, $111.00; February 1957, $431.05; May 1957, $166.00; August 1957, $872.50; August 1957, $4.00; September 1957, $13.00; September 1957, $236.00; September 1957, $35.20; September 1957, $7.10; November 1957, $374.00.

Kennedy, R. M., Kamloops, B.C., November 1955, $546.33; January 1956, $1,127.41.

Kennedy & Andrews, 207 Second Ave., Kamloops, B.C., July 1955, $165.50; February 1957, $502.50.

Question

King, Hubert B., 2277 Dominion St., Prince George, B.C., January 1955, $476.11.

Kring, G. R., Prince George, B.C., December 1955, $105.00.

Lacoursiere, Jacques, 1267 Hart St., Three Rivers, P.Q., March 1957, $165.00.

Lacroix, Gaston, 10 Ouest, rue St. Jacques, Suite 504, Montreal, P.Q., March 1956, $100.00; April 1956, $135.00; May 1956, $1,551.50; July 1956, $218.00; July 1956, $93.00; August 1956, $103.60; August 1956, $161.25; November 1956, $97.50; November 1956, $137.50; November 1956, $177.50; February 1957, $80.00; April 1957, $401.00; May 1957, $41.00; May 1957, $472.00; October 1957, $281.50; February 1958, $218.50.

Ladner, G. B., 914 Birks Bldg., 718 Granville St., Vancouver 2, B.C., January 1956, $60.00.

Larivee, R., 266 St. James St., Montreal, P.Q., January 1957, $191.75.

Leithman, E., 1255 Phillips Square, Montreal, P.Q., August 1960, $2,224.82.

Lemonde, Marcel, Sainte Liboire, Co. Bagot, P.Q., December 1959, $15.00.

Lesage, P., 34 de la Fabrique, Quebec, P.Q., December 1955, $348.80.

MacDonald, MacIntosh & Whitelaw, 357 Bay St., Toronto 1, Ont., January 1954, $35.00; February 1954, $35.00; March 1954, $100.50; March 1954, $40.25; April 1954, $52.50; July 1954, $40.00; August 1954, $30.00; August 1954, $38.50; September 1954, $30.00; October 1954, $56.00; December 1954, $36.00; January 1955, $301.65; January 1955, $50.00; March 1955, $62.50; April 1955, $105.00; May 1955, $50.00; August 1955, $125.00; September 1955, $50.00; November 1955, $80.00; January 1956, $45.00; February 1956, $33.50; March 1956, $35.00; May 1956, $160.00; June 1956, $99.00; June 1956, $130.00; July 1956, $55.00; July 1956, $275.50; July 1956, $353.50; August 1956, $110.00; September 1956, $140.00; October 1956, $105.00; November 1956, $35.00; November 1956, $30.00; November 1956, $110.00; November 1956, $25.00; January 1957, $40.00; January 1957, $45.00; February 1957, $45.00; March 1957, $35.00; March 1957, $55.00; April 1957, $155.00; April 1957, $98.50; July 1957, $45.00; July 1957, $85.00; July 1957, $9.00; August 1957, $185.00; August 1957, $24.00; September 1957, $396.25.

Mackey, J. E., Winnipeg, Man., January 1954, $15.00; October 1955, $68.10.

MacLean, N. D. Dunne, 616 McLeod Bldg., Edmonton, Alta., February 1954, $45.00; February 1954, $309.00; April 1954, $210.25; March 1955, $2,553.92; March 1955, $215.90; January 1956, $838.50; July 1956, $648.75; January 1957, $50.00; March 1957, $50.00.

MacLeod, Riley, McDermid, Dixon and Burns, 62 Canada Life Bldg., Calgary, Alta. March 1954, $92.00; March 1954, $180.00; June 1955, $207.00; June 1955, $85.00; December 1955, $63.75; December 1955, $390.00; March 1956, $398.50.

MacPherson, Neuman and Pierce, 915 MacCallum Hill Building, Regina, Sask., January 1960, $75.00.

Main, Nugent, Forbes, 209 Qu'Appelle Bldg., Edmonton, Alta., February 1958, $26.00; May 1958, $295.00; May 1958, $35.00; June 1958, $103.00; July 1958, $390.75; August 1958, $33.00; December 1958, $339.25; December 1958, $319.50; December 1958, $566.75; January 1959, $163.00; January 1959, $80.00; February 1959, $171.00; March 1959, $66.00; March 1959, $89.00; June 1959, $70.00; August, 1959, $75.00; October 1959, $287.35; December 1959, $453.00; December 1959, $1,328.00; January 1960, $36.75; March 1960, $85.00; March 1960, $62.00; August 1960, $196.00; August 1960, $213.00; August 1960, $824.00; October 1960, $501.50; October 1960, $40.00; October 1960, $77.50; October 1960, $65.00.

Malo, J. P., 509 Notre Dame, C. P. 237, Joliette, P.Q., December 1955, $115.00.

Marchand, J. L., Three Rivers, P.Q., May 1956, $135.00; June 1956, $15.60.

Martin, Walter M., 1510 Star Bldg., 80 King St. West, Toronto, Ont., January 1954, $182.00; January 1954, $427.20; February 1954, $826.50; February 1954, $58.00; February 1954, $50.00; March 1954, $152.00; March 1954, $77.00; April 1954, $541.25; April 1954, $82.00; June 1954, $222.00; June 1954, $1,523.55; June 1954, $312.00; June 1954, $98.00; July 1954, $61.00; July 1954, $60.00; August 1954, $51.00; December 1954, $551.05; January 1955, $60.00; March 1955, $168.00; March 1955, $50.00; April 1955, $70.00; April 1955, $60.00; June 1955, $215.00; June 1955, $50.00; August 1955, $60.00; September 1955, $67.00; October 1955, $1,476.40; November 1955, $1,346.80; December 1955, $140.00; December 1955, $204.90; March 1956, $580.00; March 1956, $192.00; March 1956, $345.00; May 1956, $83.00; June 1956, $291.10; June 1956, $2,433.85; August 1956, $216.00; September 1956, $246.00; October 1956, $50.00; November 1956, $72.00; November 1956, $397.75; November 1956, $127.00; November 1956, $1,673.20; November 1956, $506.80; December 1956, $50.00; March 1957, $3,428.05; March 1957, $583.50; March 1957, $1,257.15; April 1957, $118.00; June 1957, $170.00; June 1957, $235.00; June 1957, $511.00; June 1957, $52.05; June 1957, $1,446-.50; June 1957, $80.00; June 1957, $445.00; June 1957, $168.90; June 1957, $15.00; December 1957, $4,107.50; December 1957, $782.65; May 1958, $801.15; May 1958, $4,913.05; June 1958, $936.90; June 1959, $598.15.

Masse, A., 208A rue de la Madone, Mont Laurier, P.Q., February 1960, $78.00.

Question

Mathews, Norman, L., 372 Bay St., Toronto, Ont., April 1954, $357.60; March 1955, $470.47; April 1955, $1,292.30.

McGivern, H. J., 305 Crown Bldg., 615 Pender St., Vancouver, B.C., October 1955, $350.00.

McLaws, McLaws, Bancroft, Deyell & Floyd, 301 - 8th Avenue, West, Calgary, Alta., September 1957, $5.00; July 1958, $213.50; February 1959, $40.00; March 1959, $220.00; February 1960, $315.00; April 1960, $260.00; August 1960, $220.00.

McMillan, Binch, Stewart, Berry, Dunn, Corrigan & Howland, 80 King St. West, Toronto 1, Ontario, December 1957, $176.00; December 1957, $52.00; February 1958, $52.00; May 1958, $122.00; May 1958, $127.00; July 1958, $205.00; August 1958, 150.00; October 1958, $63.00; November 1958, $52.00; November 1958, $101.50; December 1958, $25.75; December 1958, $136.75; March 1959, $1,114.00; July 1959, $42.00; September 1960, $740.50; September 1960, $85.00.

McNeil, D. F., Quesnel, B.C., November 1956, $135.00.

McTaggart, L., Moose Jaw, Sask., January 1953, $66.00; June 1954, $98.00.

McTague, Deziel, Clark and Helland, Windsor, Ont., June 1960, $408.15; June 1960, $378.00.

Mercier, P., 18 Rideau St., Ottawa, Ont., March 1956, $353.65

Millward, Robinson & Fetterly, 304 Victoria St., Kamloops, B.C., August 1959, $366.00.

Milner, Steer, Dyde, Poirier, Mortland and Laton, Edmonton, Alta., December 1957, $59.00; July 1958, $411.20.

Miquelon, Jean, Suite 315, Transportation Bldg., Montreal, Que., January 1957, $465.50; May 1958, $304.00; October 1958, $644.30; October 1958, $371.00; June 1959, $157.00; June 1959, $423.70; June 1959, $293.00; August 1959, $50.00; February 1960, $482.33; August 1960, $840.00; August 1960, $365.00; October 1960, $251.00.

Monteith, W. Berkeley, 709 Bank of Toronto Bldg., Victoria, B.C., December 1957, $235.00; December 1957, $3.06; January 1958, $15.00; September 1958, $94.65; April 1959, $383.80; April 1959, $186.50; June 1960, $59.30; June 1960, $338.90.

Moore, G., 11 Adelaide Ave, Toronto, Ont., April 1959, $50.00.

Neilson, C. James, Stratford, Ont., July 1954, $267.90.

Nitikman, I., 703 - 5 Confederation Bldg., Winnipeg 2, Manitoba, November 1958, $133.00; June 1960, $1,633.40; June 1960, $449.50.

Noble, C. Emerson, University of Alberta, Edmonton, Alta., April 1954, $25.00; June 1954, $100.00; June 1954, $150.00; June 1954, $60.00; July 1954, $25.00; November 1954, $60.00; January 1955, $25.00; March 1955, $25.00; May 1955, $50.00; October 1955, $30.00; October 1955, $25.00; February 1956, $25.00.

O'Reilly, & O'Reilly, 16 James St. S., Hamilton, Ont., July 1954, $175.00; March 1955, $85.00;September 1955, $412.00; May 1956, $2,013.50; May 1956, $226.75; October 1956, $146.00; November 1956, $191.00; January 1957, $1,425.85; June 1957, $792.50; December 1957, $333.75.

Ouimet, Roger, Old Court House, Montreal, P.Q., March 1954, $16.00; May 1954, $333.15; May 1954, $174.50; July 1954, $22.50; October 1954, $119.25; November 1954, $273.00; April 1955, $103.00; April 1955, $868.00; March 1956, $1,131.50; July 1956, $48.20; July 1958, $184.00; December 1958, $3,517.96; December 1958, $1,110.30.

Phillips and Phillips, 314 Hammond Bldg., Moose Jaw, Sask., September 1960, $445.20.

Riordon, Mousseau & De Marco, 711 Canada Trust Bldg., Windsor, Ont., May 1960, $40.00.

Robins, S.L., 133 Richmond St. W., Toronto, Ont., August 1954, $135.00; August 1954, $175.00; October 1954, $52.00; November 1954, $31.00; December 1954, $145.00; March 1955, $107.00; April 1955, $48.00; May 1955, $89.00; June 1955, $37.00; July 1955, $57.00; September 1955, $162.00; November 1955, $84.00; December 1955, $156.00; February 1956, $38.00; February 1956, $73.00; March 1956, $229.50; March 1956, $239.60; March 1956, $29.50.

Robins and Robins, 133 Richmond St. W., Toronto, Ont., June 1956, $40.50; June 1956, $389.50; July 1956, $254.40; August 1956, $79.00; August 1956, $61.50; August 1956, $109.00; September 1956, $121.00; October 1956, $292.50; November 1956, $153.00; November 1956, $29.50; November 1956, $122.00; December 1956, $174.50; December 1956, $29.50; January 1957, $38.50; February 1957, $79.50; March 1957, $39.50; March 1957, $531.10; April 1957, $42.50; May 1957, $42.00; May 1957, $38.00; July 1957, $38.50; August 1957, $833.00; September 1957, $156.00; September 1958, $259.50.

Ross, J. F. W., Box 538, Room 7-9, Rultan Block, Port Arthur, Ont., December 1958, $267.20; September 1959, $46.00; May 1960, $38.00.

Ross & Keenan, 1 Queen St., St. Catharines, Ont., July 1958, $99.00.

Rowan, Hugh W., Room 1207, 50 King St. W., Toronto 1, Ont., August 1958, $42.00; August 1958, $116.00; October 1958, $251.50; November 1958, $39.00; January 1959, $40.00; March 1959, $524.00; March 1959, $163.00; March 1959, $1,943.00; August 1959, $1,265.00; October 1959, $406.99; December 1959, $196.50; December 1959, $737.00; December 1959, $54.50; January 1960, $48.50; January 1960, $39.50; January 1960, $156.50; January 1960,

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$75.00; February 1960, $215.00; February 1960, $426.60; April 1960, $1,364.35; April 1960, $369.00; April 1960, $60.00.

Russell & Dumoulin, 850 West Hastings St., Vancouver, B.C., April 1955, $58.10; April 1955, $1,295.50.

Shinbane, A. M., 306 Paris Bldg., 259 Portage Ave., Winnipeg, Man., January 1954, $382.76; March 1954, $1,800.97; March 1954, $866.78; April 1954, $610.12; April 1954, $422.92; April 1954, $274.15; June 1954, $124.56; September 1954, $329.45; November 1954, $1,202.34; November 1954, $151.62; January 1955, $234.54.

Ste Marie, Jean-Paul, Room 203, 333 Craig St. East, Montreal, P.Q., December 1958, $1,557.00; February 1959, $1,819.90; March 1959, $139.50; August 1959, $1,875.70; February 1960, $5,886.70; May 1960, $1,602.00.

Straith, Ruttan & Davidson, Victoria, B.C., November 1954, $240.40.

Streight, J. M., New Westminster, B.C., March 1954, $87.00; April 1954, $30.00; November 1954, $312.00; January 1956, $199.24.

Stringer, Alex J., 209 Bank of Nova Scotia Bldg., Winnipeg 1, Manitoba, November 1957, $62.00; December 1957, $190.50; January 1958, $124.00; January 1958, $84.00; January 1958, $5.00; February 1958, $250.00; June 1958, $107.00; August 1958, $262.00; August 1958, $185.75; October 1958, $333.75; November 1958 $67.50; December 1958, $82.50; January 1959, $71.25; February 1959, $131.25; March 1959, $93.75.

Thompson & Wilson, Windsor, Ont., February 1958, $50.00.

Tobin E. and Maurice Guay, Montreal, P.Q., January 1957, $63.00.

Tourigny, Lucien, Box 447, Val d'Or, P.Q., January 1958, $18.33.

Trepanier, Hagey & Kneale, Brantford, Ontario, September 1954, $40.00; October 1954, $177.65.

Twining, R. C., 702-475 Howe St., Vancouver, B.C., October 1957, $587.50; October 1957, $94.50; October 1957, $471.50; October 1957, $1.70; December 1957, $403.50; December 1957, $1,606.50; December 1957, $604.63; December 1957, $21.87; December 1957, $4.71; December 1957, $6.32; January 1958, $93.50; May 1959, $51.00.

Tysoe, Harper, Gilmour, Grey, DeVought & Levis, 471 Granville St., Vancouver, B.C., February 1958, $42.00; February 1958, $157.00; February 1958, $94.50; May 1958, $297.50; May 1958, $544.00; June 1958, $129.50.

Vincent and Addy, 110 York St., Ottawa, Ont., June 1953, $482.00.

Willis, H. A., 600 University Ave, Toronto, Ont., October 1957, $45.00; October 1957; $26.00; December 1957, $35.00; May 1958, $25.00.

Wintermeyer, John, J., Kitchener, Ont., July 1956, $245.00.

HOUSE OF COMMONS

Wednesday, January 18, 1961

The house met at 2.30 p.m.

VACANCY

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I hereby give notice, pursuant to section 10 of the House of Commons Act, that a vacancy has occurred in the representation of the House of Commons for the electoral district of Kings in the province of Prince Edward Island by reason of the death of John A. Macdonald, the member therefor.

POWER

COLUMBIA RIVER—TABLING OF TREATY AND STATEMENT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the house knows the Columbia river treaty was signed in Washington yesterday. The President and Secretary of State and the under secretary of the interior signed for the United States of America. The treaty was signed for Canada by myself together with the Minister of Justice and the Canadian ambassador at Washington.

I indicated the other day that I would table at the earliest possible date copies of the treaty and also the statement I made outlining some of the features and particulars of that treaty. In view of the widespread interest in these documents I propose that with the consent of the house they be printed as an appendix to *Hansard*.

May I say that in the signing of this tremendous treaty the course followed was one that gave emphasis to the importance of the occasion. The fact is that it was the last major official discharge of responsibility on the part of the President of the United States. That fact gives it emphasis. During the course of our stay there the Minister of Justice, myself and several representatives from the two countries were entertained at luncheon at the White House, the last function of the kind that will take place during the presidency of Dwight D. Eisenhower.

I agree with the remarks that were made at the conclusion of this treaty, that it represents a major advance in co-operation by the two nations without the sacrifice of the rights, the sovereignty or otherwise of either country, and is indeed a landmark in responsible joint action by nations for their economic betterment.

With the leave of the house, as I indicated earlier, I therefore wish to table the treaty in both English and French, and the summary in both languages.

Mr. Speaker: Does the house concur in the suggestion of the Prime Minister that the documents tabled by him be printed as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of documents above referred, see appendix A.*]

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, when this matter came up the other day we on this side expressed our satisfaction at the conclusion—we hope the mutually satisfactory conclusion—of negotiations which have extended over many years. It was a happy circumstance, Mr. Speaker, as the Prime Minister has pointed out, that almost the last act of President Eisenhower and his administration should have been such a fine demonstration of good and constructive neighbourhood between our two countries.

If I am in order, may I ask the Prime Minister whether it is contemplated that this parliament will proceed with consideration of this treaty before the conclusion of negotiations with the province of British Columbia and the acceptance of the treaty by that province?

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I am sure that all of us in the house listened with great interest to the extremely important statement just made by the Prime Minister with respect to the development of the Columbia. From the point of view of this group, Mr. Speaker, this has its bright and dark sides. I was very pleased indeed when the Prime Minister suggested that the treaty and the other documents be made an appendix to the record, because it is so important that every member here, and as many Canadians as possible, thoroughly understand the treaty and the circumstances surrounding it.

I am going to be quite brief, Mr. Speaker. I would like to say that we in this group are quite happy over the proposed construction of the Mica dam but have objected to

the building of the high Arrow dam, and we are still strongly opposed to it. However—

Mr. Speaker: Order. I would think the hon. member might agree with me that the merits of the treaty are not brought in issue by the statement made. The report was simply on the signing of the documents and their tabling. There will be opportunity to discuss and debate the documents before they are ratified. Therefore I should think comment would be appropriate only with respect to the actual formality of signing.

Mr. Herridge: Mr. Speaker, with the due respect I think your ruling makes it impossible for me to do otherwise than sing a Sunday school hymn. Anyway, I do say that we are very pleased that the various organizations and persons in British Columbia will have an opportunity to present their views before the external affairs committee. I am sure they will receive a civilized, courteous and sympathetic hearing. Would I be in order now, Mr. Speaker, in quoting briefly from a United States newspaper in concluding my remarks? This is what the Milwaukee *Journal* has to say about the treaty:

> The vast amount of additional, cheap hydroelectric power will be shared equally with Canada. Canada will also be paid in cash for flood control at the rate of one half of estimated annual savings. If this seems to be extreme liberality on our part, it should be remembered that Canada could have chosen an all-Canadian project which would have meant more and cheaper power for that country.

COASTAL FISHERIES PROTECTION ACT

REVISION OF DEFINITION OF CANADIAN FISHING VESSEL

Hon. J. A. MacLean (Minister of Fisheries) moved for leave to introduce Bill No. C-57, to amend the Coastal Fisheries Protection Act.

Motion agreed to and bill read the first time.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING READJUSTMENT OF REPRESENTATION IN THE HOUSE OF COMMONS

Mr. D. M. Fisher (Port Arthur) moved for leave to introduce Bill No. C-58, to amend the British North America Acts, 1867 to 1960, with respect to the readjustment of representation in the House of Commons.

Some hon. Members: Explain.

Mr. Fisher: Mr. Speaker, this bill becomes more interesting as the election comes closer. It is designed to set up a commission to handle redistribution which, under the British North America Act, is due in 1962.

Motion agreed to and bill read the first time.

STARRED QUESTIONS

T.V. SATELLITE STATION, MONT LAURIER

Question No. 38—**Mr. Clermont:**

1. Has the board of broadcast governors recommended the issue of a licence to establish a satellite station in Mont Laurier? If so, on what date?
2. Has the government issued such licence? If so, on what date?
3. Have tenders been called for the construction of the said station?
4. If so, (a) on what date is such work to begin; (b) how long will such work last?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the answers are as follows:

1. Yes, December 8, 1960.
2. No.
3. No.

No. 4, of course, is answered by No. 3. I should say in further explanation that this Mont Laurier station will be an off-air satellite of the proposed station at Mont Tremblant, the application for which has also been recommended by the board of broadcast governors but subject to the arrangement of channels in virtue and because of the international air agreement which has not yet been finally completed. Therefore the Mont Tremblant application cannot be approved until this international agreement has been completed.

Mr. Denis: May I ask a question—

Mr. Speaker: Would the hon. member defer his supplementary until the orders of the day. [*Later:*]

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to direct a question to the Minister of National Revenue referring to the starred question about the establishment of a satellite station in Mont Laurier. In view of his answer can the minister now give us the approximate date of the beginning of the construction of that station?

Mr. Nowlan: No, Mr. Speaker, because it depends on negotiations with the United States with respect to the international agreement. Mont Laurier being an offshoot of Mont Tremblant, the latter must first be commenced. It is the Mont Tremblant problem which is holding us up at the moment.

It is our hope that the matter will be cleared up in the near future so construction

can be started and the station will be in operation before the end of the year, but that is a hope and not to be taken as a guarantee.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I ask the Minister of National Revenue a supplementary question. Can the minister say whether that date appears more remote now than it was before October 31?

Mr. Nowlan: I do not think so, Mr. Speaker.

"UPLANDS TIMES"—WITHDRAWAL OF COPIES

Question No. 48—**Mr. Hellyer:**

1. Are public funds spent, either directly or indirectly, in the preparation or distribution of a Royal Canadian Air Force newspaper, *The Uplands Times*?
2. Were Royal Canadian Air Force police employed in seeking out copies of a recent issue of *The Uplands Times* for the purpose of having them withdrawn from circulation?
3. If so, what was the reason for this action?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the answers to these questions are as follows:

1. No.

2. Personnel at the station were requested through their sections to return issues of the newspaper which had been distributed on November 24, 1960. Station personnel including members of the R.C.A.F. police were asked to call at the various sections to pick up the returned issues of the newspaper.

3. The reason for this action was given in an answer to a question asked by the hon. member for Fort William on November 29 last and is reported on page 295 of *Hansard* of that day.

UNEMPLOYMENT INSURANCE FUND

Question No. 49—**Mr. Robichaud:**

What was the amount remaining in the unemployment insurance fund on the last day of November, 1960, as compared with similar dates for the years 1958 and 1959?

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, the answer is as follows:

November 30, 1958	$641,880,241.89
November 30, 1959	$475,178,655.52
November 30, 1960	$331,703,558.88

UNEMPLOYMENT INSURANCE CLAIMANTS

Question No. 50—**Mr. Robichaud:**

What was the total number of claimants for unemployment insurance benefits on the following dates: December 1, 1955, 1956, 1957, 1958, 1959 and 1960?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): The answer is as follows: 1955, 219, 786; 1956, 215, 378; 1957, 403, 273; 1958, 419, 233; 1959, 417, 541; 1960, 485, 177.

Starred Questions

POST OFFICE BUILDING, RESERVE MINES, N.S.

Question No. 53—**Mr. Argue:**

1. Has the government been considering the building of a new post office on Sydney road, Reserve Mines, Nova Scotia?
2. If so, has land been purchased for this purpose, from whom, on what date, for what amount, and where is it located?
3. Was any member of the local municipal government, or anyone else, consulted as to the suitability of the proposed building site?
4. If so, who were they, what was the nature of the consultation with each, and what advice was received?
5. Was a petition received by the government expressing dissatisfaction with the site chosen by the government?
6. If so, from whom, what date did it bear, when was it received, what were its contents, and what consideration has the government given to its request?
7. Why was the site on Sydney road favoured by the government as opposed to the present site?
8. Has the government agreed to the building of the post office an another location, and if so, where?

Hon. D. J. Walker (Minister of Public Works): May I through you, Mr. Speaker, ask the hon. member for Assiniboia if, because of the complicated and detailed answers involved, he would agree that this should be made an order for return.

Mr. Argue: I do not think it is as complicated as it is controversial, but I quite agree with the minister's request that it be made an order for return.

Mr. Speaker: Order for return.

INCOME TAX ASSESSORS

Question No. 54—**Mr. Badanai:**

1. What qualifications do assessors for income tax department require for employment with the Department of National Revenue?
2. Are these assessors hired by the director, or chief assessor? If not, by whom?
3. What training do they receive in the department before assessing in the field?

Hon. George C. Nowlan (Minister of National Revenue): The answer to No. 1 is that the qualifications required of assessors for employment with the income tax division of the Department of National Revenue depend on the grade level at which they are hired. For further information regarding these qualifications, please refer to copies of civil service commission advertising posters which deal with the requirements for each specific appointment.

The answer to No. 2 is that assessors, as well as any other employees of the income tax division, are hired through the civil service commission.

The answer to No. 3 is that at the present time the training program for new assessors

before they commence to assess in the field or shortly thereafter is as follows:

(a) An indoctrination course describing the organization and operation of the division.

(b) A reading course of 24 lessons on the Income Tax Act.

(c) On the job training in office procedure and desk audit work, under supervision.

(d) On the job training in field audit work plus a classroom course on basic field audit procedures, again under supervision until a certain amount of experience has been acquired.

SALE BY RUSSIA OF WATCH MECHANISMS

Question No. 55—**Mr. Badanai:**

1. Has the Soviet union made a deal to sell Canadians watch mechanisms, without cases for about $3 each?
2. If so, what does the U.S.S.R. buy from Canada in exchange?
3. Has a trade agreement been made for specific mechandise?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): The answer to Nos. 1 and 2 is that Canadian businessmen are free to import Soviet merchandise, subject to Canadian law. They are not required to report such import transactions to the Department of Trade and Commerce; therefore we have no knowledge of the suggested transaction in question No. 1.

The answer to question No. 3 is that the recently renewed Canada-U.S.S.R. trade agreement provides that the U.S.S.R. will purchase twice the value of their sales to Canada to an annual limit of $25 million. At least half the Soviet purchases are to be in wheat.

CITIZENSHIP COURTS

Question No. 56—**Mr. Badanai:**

1. How many courts of Canadian citizenship are there in Canada?
2. What number of people are employed in these courts, at Toronto, Hamilton and London, Ontario?
3. What salaries are paid to the judges of these citizenship courts?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The answer to the first part of this question is that there are seven courts of Canadian citizenship situated in the following places: Toronto, Montreal, Hamilton, London, Winnipeg, Edmonton and Vancouver.

The answer to the second part is that the personnel of the courts of citizenship are as follows: Toronto, a staff of 13, one judge and one assistant; Hamilton, a staff of four and one judge; London, a staff of four and one judge.

[Mr. Nowlan.]

The answer to the third part of the question is that judges of the courts of Canadian citizenship throughout Canada receive an annual remuneration of $11,000.

FEDERAL PAYMENTS TO SASKATCHEWAN, 1960

Question No. 57—**Mr. McMillan:**

1. What was the total amount paid from the federal treasury to the provincial treasury of Saskatchewan in the calendar year, 1960?
2. What were the purposes of such payments and how much was each such payment?

Hon. Noel Dorion (Secretary of State): I would ask that this question be made an order for return.

Mr. Speaker: Order for return.

C.B.C.—PROTESTS ON COAL AND LABOUR PROGRAMS

Question No. 58—**Mr. Fisher:**

1. Did the Canadian Broadcasting Corporation receive any pre-showing protests regarding its television programs on either the Cape Breton coal situation or the four-part series on labour?
2. If so, from what persons, or organization, to what effect and what affect?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the Canadian Broadcasting Corporation did receive two complaints with respect to the program concerning the coal mining industry in Cape Breton. They have received no complaints with respect to the labour program. It is not the policy of the C.B.C. to divulge the names of people writing to the corporation as private individuals because that might discourage them from writing in the future.

In this particular case there were only two complaints received, and both these complainants gave their complaints to the press. Under the circumstances, therefore, I can say one complaint was received from Mr. Duchemin and the other was received from Mr. Nathanson, one owning a newspaper and one owning a radio station at Sydney.

LAKEHEAD TERMINAL PROJECT—WINTER WORK

Question No. 60—**Mr. Fisher:**

1. Did the Department of Public Works give consideration to a special arrangement with Raymond International on the lakehead terminal project which would have kept a work force on the job during January, February, and March, 1960?
2. If so, how much extra was involved in terms of money, and how many men would have been kept on work during this period?
3. What disposal was made of this suggested arrangement, and for what reasons?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the answer is as follows:

1. Yes.

2. Had this proposal been accepted, an extra in addition to the regular cost would have

been approximately $41,000. From 40 to 60 men might have been employed for a ten week period.

3. The proposal was not accepted partly because of the extra cost and chiefly by the fact that the pouring of concrete in adverse weather conditions gave us no assurance that it would carry the heavy loads which were involved. Even with extra precautions during January, February and March it would be extremely difficult to ensure proper heating of the aggregate and the protection and satisfactory curing of the concrete to provide proper strength in this exposed location.

It was decided it was better to press ahead with other major contracts at the lakehead to provide employment. Work has now started on one of these, a $3,953,185 contract which includes the construction of two large transit sheds, a number of other buildings, access roads, water and sewer and other services. Within a matter of weeks the number of men employed on this work will exceed those who would have been employed under the proposed arrangement. In addition a new contract will be awarded shortly for the Main street access bridge in the same development. Work is expected to start within a month and this will provide further employment.

CANADA GROCERS LTD., BRANDON—NATIONAL PARKS TENDERS

Question No. 61—**Mr. Hardie:**

1. Did Canada Grocers Limited of Brandon, Manitoba, tender on supplies for the Riding Mountain national park in November or December, 1960?
2. If so, was it the successful bidder?
3. If not, what was the amount of its bid and the amount of the bid made by the successful tenderer?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): The answer is as follows:

1. Yes.
2. No.
3. Canada Grocers Limited, Brandon, Manitoba, $8,610,61; G. McLean Co. Ltd., Winnipeg, Manitoba, $8,046.38.

QUESTIONS PASSED AS ORDERS FOR RETURNS

POST OFFICE BUILDING, RESERVE MINES, N.S.

Question No. 53—**Mr. Argue:**

1. Has the government been considering the building of a new post office on Sydney road, Reserve Mines, Nova Scotia?
2. If so, has land been purchased for this purpose, from whom, on what date, for what amount, and where is it located?
3. Was any member of the local municipal government, or anyone else, consulted as to the suitability of the proposed building site?
4. If so, who were they, what was the nature of the consultation with each, and what advice was received?
5. Was a petition received by the government expressing dissatisfaction with the site chosen by the government?
6. If so, from whom, what date did it bear, when was it received, what were its contents, and what consideration has the government given to its request?
7. Why was the site on Sydney road favoured by the government as opposed to the present site?
8. Has the government agreed to the building of the post office on another location, and if so, where?

FEDERAL PAYMENTS TO SASKATCHEWAN, 1960

Question No. 57—**Mr. McMillan:**

1. What was the total amount paid from the federal treasury to the provincial treasury of Saskatchewan in the calendar year 1960?
2. What were the purposes of such payments and how much was each such payment?

MOTIONS FOR PAPERS

RICHELIEU RIVER—REPORT ON DREDGING

Motion No. 20—**Mr. Dupuis:**

For a copy of each of the reports made by the economists and engineers of the Department of Transport, in connection with the possible dredging of the Richelieu river between the St. Lawrence river and lake Champlain.

Mr. C. W. Hodgson (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, in the unavoidable absence of the minister I would ask that this motion be allowed to stand.

Mr. Speaker: Is the house agreed that this motion stand?

Some hon. Members: Agreed.

Mr. Speaker: Stand.

Motion stands.

TUNNEL CONSTRUCTION, PARLIAMENT HILL

Motion No. 23—**Mr. Cardin:**

For a copy of the plans prepared in the Department of Public Works for the construction of a tunnel linking the main parliament building and the west block, and the estimated cost of the project.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, this motion is accepted on the understanding that it cannot be complied with until after February 1, at which date tenders close.

Mr. Speaker: Subject to the limitation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

TORONTO BOARD OF TRADE COMMUNICATION, FEDERAL-PROVINCIAL FISCAL PROBLEMS

Motion No. 31—**Mr. Pickersgill:**

For a copy of a communication addressed to the Prime Minister by the board of trade of

metropolitan Toronto with regard to the federal-provincial fiscal problems on December 8, 1960, together with the reply thereto and any subsequent correspondence.

Motion agreed to.

COLUMBIA RIVER DEVELOPMENT

Motion No. 32—**Mr. Herridge:**

For a copy of all telegrams, reports, correspondence and other documents exchanged between the Minister of Northern Affairs and National Resources or any officials of his department and any officials of the government of British Columbia, the officials of any corporation or other persons, regarding the development of the hydro resources of the Columbia river in Canada, since January 1, 1957.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): This motion is similar to a motion submitted by the hon. member last July. It was explained at that time by the Minister of Justice that it would not be in the public interest to produce correspondence between this government and the government of British Columbia. The hon. member then stated that this explanation was quite satisfactory and that he did not consider the government of British Columbia an organization composed of individuals in that sense in his motion.

The situation today is the same. I can only say to the hon. member now that it would not be in the public interest to table the documents requested by this motion before the negotiations have been concluded; that is, until the agreement has been considered by parliament and by the United States congress and ratifications exchanged by both countries to make the agreement binding and no longer subject to negotiation. In view of this, I wonder if the hon. member would withdraw his motion.

I can give my hon. friends in this house an assurance that the government is anxious to keep them as fully informed as possible with regard to the essentials of this matter, while respecting the need to keep the actual negotiations with the province and the United States confidential until agreement is ratified. This desire to keep the house informed has been clearly indicated by tabling last December the letter—

Mr. Speaker: Order. I think the hon. minister is perhaps going beyond explanation and entering upon debate. The motion is not debatable. I take it that the substance of the hon. gentleman's remarks is that the motion is objectionable on grounds of public policy, and that he is requesting the hon. member for Kootenay West to consider withdrawing it.

Mr. Herridge: I am delighted to know that a minister is out of order once in a while. Would the minister consider the motion as being in order if I withdrew the reference to officials of the government of British Columbia?

Mr. Dinsdale: On that point, negotiations with the United States government are not complete until the agreement has been ratified by this house and by congress, so the same restrictions would apply.

Mr. Herridge: I accept the explanation given by the minister. I wished to be quite clear about it.

Mr. Speaker: In view of that explanation, is the mover of the motion willing to have it withdrawn?

Mr. Herridge: Yes, Mr. Speaker.

Mr. Speaker: Then it will be in order for me to declare it withdrawn.

Order discharged and motion withdrawn.

ROYAL COMMISSION ON PUBLICATIONS—COMPLAINTS ON CONDUCT

Motion No. 34—**Mr. Fisher:**

For a copy of all representations to the government in any printed form which complained about or criticized the performance of the royal commission on publications or any of its members in the performance of his task.

Motion agreed to.

LABOUR CONDITIONS

REQUEST FOR ADDITIONAL STATISTICS

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to address a question to the Minister of Labour. In view of the announcement this morning by the government of the latest unemployment figures, indicating a regrettable increase in unemployment by some 99,000 over the previous month, will the Minister of Labour make available to the house, in addition to the figure of 528,000 unemployed, the number of unplaced applicants for jobs and the number in receipt of unemployment benefits on the last available date?

Hon. Michael Starr (Minister of Labour): If the hon. member for Essex East wishes to have this information I suggest that he place the question on the order paper, and the requirements of his request will be fulfilled.

Mr. Martin (Essex East): Does the Minister of Labour not recognize that because of the debate now in progress, and because of the urgency of this matter—

Mr. Speaker: Order. It seems to me now that the hon. member is making an argument rather than asking a supplementary question.

Inquiries of the Ministry

UNEMPLOYMENT—INQUIRY AS TO EMERGENCY MEASURES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Prime Minister. In view of the figures on employment and unemployment released this morning by the dominion bureau of statistics, showing that there are now 528,000 unemployed in Canada, an increase over a year ago; and that in British Columbia, in particular, unemployment now amounts to 10.9 per cent of the labour force, namely 63,000, is the Prime Minister in a position to inform this house whether any emergency policies or actions are going to be adopted in view of the present situation of increased unemployment?

Right Hon. J. G. Diefenbaker (Prime Minister): Various measures have, of course, been before the house and were discussed, considered and passed prior to the Christmas recess. Other measures will naturally be introduced as events arise.

I would point out to the hon. gentleman this fact. Yesterday while I was in Washington I read of the increase in unemployment in the United States, too, the major increase being during the months of November and December. I also read a report of the committee set up by Mr. Kennedy, the incoming president, in which suggestions were made as to what might be done to meet the situation. On examination of this report I was pleased to see that most, if not all, of the recommendations have already been implemented by this government in this country.

Hon. Paul Martin (Essex East): May I direct a supplementary question to the Prime Minister in the light of what he has said about his visit to Washington yesterday. Is the right hon. gentleman not aware, as is pointed out on page 3 of this morning's release, that the percentage of unemployment in Canada in relation to the labour force is 8.2, whereas in the United States it is 6.5?

Mr. Diefenbaker: I am sure the hon. gentleman is also aware that the same basis of measuring unemployment is not used in the United States in every particular.

Mr. Winch: Is it not correct that the right hon. gentleman's concern as Prime Minister is with the situation in Canada and not with the situation in the United States?

Mr. Speaker: Order. The hon. member is asking what seems to be only a rhetorical question.

UNEMPLOYMENT—REPORTED REMARKS BY SOLICITOR GENERAL

On the orders of the day:

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, I wish to direct a question to the Prime Minister. Was the Solicitor General speaking on behalf of the government when he said in St. John's last week, as reported in the Cape Breton *Post* of January 13:

—less federal spending "as the government tried to balance the budget" was a principal cause of unemployment in the country.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not seen the report to which reference is made, but I must say I am sure such a statement was not made by the hon. gentleman in question.

UNEMPLOYMENT—REPORTED REMARKS BY ASSOCIATE MINISTER OF NATIONAL DEFENCE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I hope this question is in order. I should like to direct a question to the Associate Minister of National Defence (Mr. Sevigny), occasioned by remarks credited to him last week in Laval to the effect that if unemployment existed it was provoked and caused by Liberal leaders. I wonder whether he could be more specific, or pass the information on to the Minister of Labour, because we all do want to get to the cause of unemployment.

Mr. Speaker: Order. I am not sure what kind of debate the hon. member for Port Arthur would like to initiate. I suggest that he find a more appropriate time for it.

EXTERNAL AFFAIRS

IRELAND—INQUIRY AS TO VISIT BY PRIME MINISTER

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister a question arising out of his reported intention to visit Ireland, reports of which have inspired speculation that the right hon. gentleman may take advantage of this visit to attempt to reunite Ireland and bring Ireland back into the commonwealth?

Right Hon. J. G. Diefenbaker (Prime Minister): I read those speculative articles, and I can only say there has been no agenda yet arranged. As to what matters will be discussed, any questions which might arise will naturally be considered and discussed. The hon. gentleman has had experience in this direction and will realize that one can never fully anticipate the questions which may be discussed in these circumstances.

Inquiries of the Ministry

POWER

COLUMBIA RIVER—CONCLUSION OF AGREEMENT WITH BRITISH COLUMBIA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to repeat a question which I think I heard the leader of the official opposition ask the Prime Minister. Is it the intention of the government to conclude an agreement with the government of British Columbia before bringing the Columbia treaty before this house for ratification?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the Leader of the Opposition asked that question a little earlier, and of course I had no opportunity to refer to it. It will be necessary for the government of Canada to enter into an agreement with the government of the province of British Columbia. We are prepared to proceed with such agreement at once. As far as we are concerned there will be no delay in proceeding with, negotiating and completing such an agreement.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister whether the government proposes to submit this treaty to the committee on external affairs of this house before the agreement has been concluded with the province of British Columbia?

Mr. Diefenbaker: Mr. Speaker, I cannot go any further at the moment than to say to the Leader of the Opposition, as I already stated, that it is the intention to have this question placed before the committee on external affairs. When that will be, I cannot say at this time.

PIPE LINES

POSSIBLE CONSTRUCTION OF OIL LINE TO MONTREAL

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I have a question for the Minister of Trade and Commerce. The president of Home Oil Company has indicated in a special report to its shareholders that construction of the $430 million pipe line from the oil fields of Alberta to Montreal is essential to the Canadian economy. Can the minister inform the house whether the government is giving the construction of this pipe line favourable consideration?

Hon. George H. Hees (Minister of Trade and Commerce): Yes, Mr. Speaker. Of course any company is quite at liberty to express any opinion it wants to its shareholders, and most of them do. The government is giving this whole matter very serious and constructive consideration, along with all matters pertaining to the oil industry at this time.

HOUSING

REQUEST FOR YEAR END FIGURES ON HOUSING STARTS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I wish to put a question to the Minister of Public Works. Will the minister say when the December and year end figures for housing starts will be made available?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I will be very happy to look into that matter and give an answer at the earliest possible date.

Mr. Garland: A supplementary question, Mr. Speaker. Could the minister say if there is any justification for withholding these figures at the present time?

Mr. Walker: We are very anxious to bring them to the attention of the house, Mr. Speaker, because they indicate a substantial improvement over those of a year ago, and I know the hon. member will be glad to hear that.

Mr. Garland: In view of what the minister just said perhaps he would permit a further supplementary question. Since the 1960 housing starts are unfortunately the lowest since 1953—

Mr. Walker: What is the hon. member's question?

Mr. Garland: —as a result, in part, of the policy of the government in slashing in half direct lending in 1960 as compared to 1959—

Mr. Speaker: Order. Has the hon. member a supplementary question? It seems to me he is giving information rather than asking for it at the moment.

Mr. Garland: I am merely laying the groundwork, Mr. Speaker. To return to my question, will the minister tell the house how much money will be made available in the direct lending field in 1961?

Mr. Walker: Mr. Speaker, all these matters are questions of government policy and in due course they will be brought to the attention of the house.

[*Later:*]

Mr. Walker: Mr. Speaker, in reply to the hon. member for Nipissing may I say I just received some figures. The over-all figures for the year 1960 are not available yet because of the lack of returns from municipalities of 5,000 or less; but for those municipalities above 5,000 there have been

approximately 100,000 starts and we expect the number of starts will be 9,000 or 10,000 for the municipalities under 5,000.

I am also very happy to be able to say that I have just received the first two weeks' returns for approved lenders' loans for 1961. In the year 1960, for the first two weeks, there were 32 loans; this year, 904.

Mr. Speaker: Order. I am not sure that I precisely recall the question, but it seems to me the minister is giving information which goes beyond the question; it would be in the nature of a statement.

Mr. Walker: Mr. Speaker, it should be added that the direct loans last year were 34 and this year 1,316.

Mr. Garland: Mr. Speaker, in view of what the minister has just said, perhaps he will admit that it is not hard to improve on nothing.

BUSINESS OF THE HOUSE

INDIAN AFFAIRS—IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration and ask whether it is the intention of the government to implement the unanimous recommendation of the Indian affairs committee contained in its report last year with respect to the compulsory franchise for Indians.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, if the hon. member had contained his soul in patience he would have heard me make that announcement when resolutions are called.

DEFENCE EXPENDITURES—INQUIRY AS TO APPOINTMENT OF COMMITTEE

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a question to the Prime Minister. Is it the intention of the Prime Minister to move for the setting up of the special committee on defence expenditures at the current session?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that, of course, is a matter of policy and, as the hon. gentleman knows, when and if a decision is made in that regard it will be brought to the attention of the house at once.

Mr. Hellyer: A supplementary question, Mr. Speaker. Will the Prime Minister give it his urgent consideration and report to the house at an early date, in view of the considerable importance and urgency of this matter?

Mr. Diefenbaker: Mr. Speaker, the government will give the suggestion the attention it deserves.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Prime Minister a supplementary question. Does the Prime Minister now consider the setting up of parliamentary committees to be a matter of government policy rather than procedure in the house?

Mr. Diefenbaker: Mr. Speaker, certainly not; but a question as to whether a committee should be set up for a definite purpose is a matter for government policy.

EXTERNAL AFFAIRS—REQUEST FOR EARLY DEBATE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to ask the Prime Minister whether he has given consideration to the early allocation of a day for discussion in this house of the serious international problems and affairs that abound and, if so, would he do everything possible at this time to win the acceptance of the Leader of the Opposition for the holding of such a debate?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in view of the very close relationship existing between the two groups opposite I suggest that the hon. gentleman direct his question privately to the Leader of the Opposition. We tried to secure a date for this purpose but it was opposed by the official opposition. Apparently there has been no change in that regard.

Mr. Pearson: On a question of privilege, the Prime Minister must realize that he has made a statement which he should not make, because it is entirely inaccurate.

TRANSPORTATION

ROYAL COMMISSION—INQUIRY AS TO INTERIM REPORT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Prime Minister arising out of a press report to the effect that the report of the royal commission on transportation may be delayed beyond the schedule set by the Prime Minister. Can the Prime Minister say whether an interim report is likely to be made if the main report is delayed beyond that date?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not have too much to tell the house in response to that

question. I saw the press report, but nothing concerning the commission's report has been brought to my attention.

TRADE

JAPAN—INQUIRY AS TO REPRESENTATIONS RESPECTING RESTRICTIONS

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, in the absence of the Minister of Finance I wish to direct a question to his parliamentary secretary based on a statement made in Vancouver by Japanese consul Muneo Tanabe, to the effect that his government might consider imposing restrictions on Canadian goods if Canada placed too many restrictions on commodities from Japan.

My question is this. Has the Canadian government made any representations to the Japanese government with a view to having it refrain from imposing restrictions on the importation of Canadian goods into Japan?

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I have not seen the particular press quotation to which the hon. gentleman refers, but I shall examine it and the Minister of Finance who will be back in the house tomorrow will then have an answer for the hon. gentleman.

CANADIAN BROADCASTING CORPORATION

STATEMENT ON REPORTED SENDING OF STAFF TO LABOUR INDOCTRINATION SEMINARS

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, on January 16 the hon. member for Port Arthur (Mr. Fisher) asked me a question on the orders of the day with respect to some discussion or representations apparently made by one Mr. Eldon Wilcox, of the C.B.C., concerning the attendance of C.B.C. employees at certain seminars.

The Canadian Broadcasting Corporation from time to time does send certain of its management and supervisory staff to various seminars and short courses in management procedures sponsored by a number of Canadian and American organizations, including the American management association. The corporation feels that, for the proper conduct of its affairs, it must provide senior people with opportunities to learn from the experience of leading business and industrial concerns about new developments and techniques in the field of management.

The corporation has no knowledge or experience of the anti-union activities attributed to the American management association.

[Mr. Diefenbaker.]

GRAIN

REQUEST THAT FEED MILLS BE RETURNED TO WHEAT BOARD JURISDICTION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I would again like to address a question to the Prime Minister arising out of a statement attributed to him in a Canadian Press dispatch from Saskatoon dated December 22, to the effect that further action on the exemption of feed mills from grain delivery quota and price regulations would be taken when the government receives evidence that prices for feed grain are breaking down. Since the national farmers' union submitted a document in which they said feed grain prices have in fact broken down, and at one station were 45 cents lower—

Some hon. Members: Order.

Mr. Argue: —in price, is the government going to restore feed grains sold to mills under the wheat board both as to price and quota?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not admit, nor does the government, that there have been the results which the hon. member suggests.

Mr. Argue: I would ask the Prime Minister whether he is denying this statement by the national farmers' union.

Mr. Speaker: Order. The hon. member is starting to argue with the answer rather than to ask for information.

Mr. Argue: I should like to ask this supplementary question, which I believe is very much in order. Has the Prime Minister or the government received this document, and has it indeed given a reply to the national farmers' union?

An hon. Member: What is the date of it?

Mr. Argue: January 13, 1961.

Mr. Diefenbaker: The document in question has not yet been brought to my attention.

HOUSE OF COMMONS

APPOINTMENT OF COMMITTEE TO CONSIDER GREATER DISPATCH OF BUSINESS

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That a select committee, to be designated, be appointed to consider with Mr. Speaker the procedure of this house for the purpose of suggesting any changes that may be desirable to assure the more expeditious dispatch of public business, with power to send for persons and papers, and to report from time to time its findings and recommendations to the house.

He said: Mr. Speaker, on January 18 last, on my suggestion, a committee of the house was set up under your chairmanship and direction which dealt with the rules, and changes were duly recommended in the report made on July 25, 1960. In that report the committee recommended that certain temporary orders of procedure be adopted on a trial basis effective only for the next session of parliament, the fourth session of the twenty fourth parliament. Those proposals are set out in detail in the report.

I think the experience of the last few weeks has been that the recommendations have been most beneficial. I think members in all parts of the house will agree that the recommendations were of such a nature and have proved to be so simple that they ought to receive consideration toward making them applicable not only to this session but to succeeding sessions. This, of course, is a matter for members in all parts of the house to determine.

There are various other matters which should be considered. Last year, on May 9, a motion to set up the committee was introduced by the Minister of Finance. At page 3687 of *Hansard* he is reported as having said:

> Finally, Mr. Speaker, may I say that in the light of the length of time which was devoted to the study of the rules by the previous committee, I do not think the house will expect the committee to come forward with a final report at this session. If that should be the case, I am sure the house will be pleased to set up the committee again at the next following session to continue its work. The appointment at the present session, however, will at least launch the committee and enable it to carry forward its work. If the committee should see fit to make recommendations about changing the rules at this session, that matter will have to be considered however the report is received.

I believe—and I hope the house will agree—that this committee should be set up to carry on from where the committee of the last house concluded, to the end that the rules which are so necessary for the maintenance of efficient and expeditious debate should be viewed in greater detail than was possible at the last session. After all, rules are not like the laws of the Medes and the Persians. They should be reviewed regularly to the end that their effectiveness shall be tested and, if unsatisfactory in any way, be altered in the light of experience and circumstances.

I want to say a word to the members of the committee. I think the manner in which they came to agreement on recommendations at the last session, as in 1951, speaks highly of all members of the committee. No one wants to put parliament in a strait-jacket. No one wants to interfere with the fullest discussion. No one wants to bring about a denial of the rights of members to express themselves fully with the authority of the people they represent.

I think the experience has been, however, that the reduction in the length of speeches from 40 minutes to 30 minutes has improved the quality of speeches. After all, it is so much easier to make a speech of great length than a short and effective one. On one occasion Woodrow Wilson, I believe, was asked by Princeton University, of which he had been president for many years, whether he would accept an invitation to speak and how much notice he would require. I do not have before me the exact answer he gave and I am speaking from memory, but as I recall, his answer was that if he was to make a speech an hour long three or four days' notice would be ample, but if the speech was to be 10 or 15 minutes long he would require two or three months' notice.

While it is necessary on occasion, in order to elucidate a problem, to go beyond 30 or 40 minutes, in the normal range of debate nothing is more effective than a short, well reasoned and lucid argument. Quite an advance was made by the committee in that direction by reducing the period from 40 to 30 minutes, and I am sure that in consequence of that reduction no thought that the house should have had, no suggestion that would be beneficial, has been denied expression.

I therefore place this motion before the house hoping that it will receive unanimous approval.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, we on this side are happy to support the motion for the setting up without delay of a committee to continue the work of a similar committee last session, which I think was effective and produced some constructive proposals under your own wise guidance. Anything that a committee of the house can do to recommend to the house procedures and proposals that will make our proceedings more businesslike should receive the support of all of us subject, of course, as the Prime Minister has pointed out, to the necessity of the fullest discussion of every measure before the house, something which is of particular concern to the opposition.

The Prime Minister mentioned one recommendation of the last committee reducing the length of speeches. In his view it has worked out very well. Perhaps it would not be appropriate for me to comment on that until the time comes when this process of improvement, if that is what it is, can be continued by putting the Prime Minister and myself under a similar time limit, which might make our speeches more effective also.

We support the motion and it is unnecessary for me to say anything more, as it would only delay the setting up of the committee. Therefore I merely express on behalf of our party our strong approval of the setting up of the committee. We hope it will continue its good work of last session in this field.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I had the privilege of being a member of the committee on procedure during the last session of the house and I feel, as other members do, that the committee was able to do effective work and made a report whose recommendations, up until this point during the present session, seem to be working well and in my opinion have made a contribution toward dealing with the business of the house during this session in a more effective way.

The members of the committee were generally agreed that any change in the rules should be first of all a temporary change on a trial basis and, second, should be agreed to unanimously by the members of the committee. So, Mr. Speaker, the whole question of the government using its majority to force the adoption of certain procedures did not arise. All the changes in the rules that are in effect during the present session were agreed to unanimously.

I think the changes have been good. There has been a reduction of two days in the time taken for the debate on the speech from the throne, and a reduction of two days also in the budget debate. There has been a general reduction in the length of speeches from 40 minutes to 30 minutes, with some particular exemptions. Authority has been given to the government to bring forward government measures in lieu of or by interrupting private members' days so that the government can get its legislative program before parliament and committees of the house can be set up. I think this has been a good move and one that has helped in dealing with legislation during this session in a more orderly fashion.

When I spoke on this subject at the time it came before the house last session I recall saying that in the planning of the business of a session the government itself had a good deal to do with the length of the session, and that good management and a program well arranged would invariably lead to a shortening of the session whereas ineffective management of the legislative program by those in charge would lead to delay. I pointed out that all the government needed to do to delay the proceedings of the house was to bring four or five controversial measures before parliament and then deal with each only one day at a time in a kind of round robin process, and that under such a procedure the session could last indefinitely. However, when the government brings forward a measure, initiates a debate and allows the debate to continue until the subject has been dealt with, I think the government then contributes to an orderly expedition of the business of the session.

The change in the rules as to time, referred to by the Prime Minister and the Leader of the Opposition applies to members other than these two hon. gentlemen. Unlimited time, of course, is also the right of a person moving a government measure and of the first speaker from the opposition replying to a government motion. I think some progress could be made in setting a time limit in this regard. I would not say that the Prime Minister and the Leader of the Opposition should agree never to speak longer than one hour. The Prime Minister may feel that would increase the effectiveness of the speeches of the Leader of the Opposition, or the Leader of the Opposition might think it would increase the effectiveness of the speeches of the Prime Minister. However, when it comes to people who are replying for the opposition I believe there might be a limit of one hour, shall we say, or perhaps a limit of 40 minutes might be applied, without reducing the rights and without reducing the effectiveness of the opposition.

There has been a feeling in some quarters from time to time that we might remove the committee stage preceding money bills. This is a proposal with which I would be unable to agree. I feel that is a very valuable stage of any debate. I think it is a stage, wisely used and seriously considered by the government, which could lead to important changes in the legislation that would follow. I feel this stage enables the members, in a free sense, to deal with the particular principles of the question under discussion.

I would think the committee, Mr. Speaker, should give some serious consideration to the procedures of the committees of this house. I do not believe the committees of this house perform as useful a service as they might, since they seem so often to be the captives of the government majority. I believe individual members should have the right to call for persons and papers and should have a good deal to do with the agenda of the committee. Consideration should be given also to the reports that are made by committees. I do not like to see the practice being followed which seems to have grown up, not under this administration only but under previous administrations as well, namely that a committee of this house that is dealing with a piece of controversial legislation will make a recommendation and, since it is a hot

potato, since the government does not want to deal with it, the recommendation is brought to the house but concurrence in the report of the committee is not moved.

I think if a committee brings a report to the house, then the house should have an opportunity to debate the recommendations contained therein. Otherwise, Mr. Speaker, the country can be very easily misled into thinking that far greater weight has been given to the recommendations of the committee than is in fact the case. I would refer to a particular instance that I have in mind, namely the report of the agriculture committee dealing with the feed grain and feed mill situation. On June 27 the committee made certain recommendations which were reported to the house. However, the report was never moved in the house. The country has been led to believe that the report of this committee had a very wide measure of approval. The fact of the matter is that it was such a hot, controversial issue, I suggest, and the government felt so uncertain, that no step was taken by any member of the party opposite to move this report of the committee.

Mr. Speaker: I do not like to interrupt the hon. member, but he is going rather far afield. It seems to me he is threshing old straw in dealing with the merits of the report of the agriculture committee at this time.

Mr. Argue: I was not dealing with the merits. I was just dealing with the fact that it was a controversial issue and, being a controversial issue, when a report was made to the house no one on the opposite side of the house cared to move the report. I think this makes something of a farce of the so-called recommendations coming from the committee, and it certainly leaves a situation that could be misinterpreted in the country. I suggest that in order to give greater weight to the recommendations of committees, the procedure committee should consider whether or not, when particular recommendations are made, the report should be considered and either approved or rejected by the house itself.

Now, Mr. Speaker, this committee on procedure made another reference of great interest and great importance but not quite so precise as certain other recommendations. It is found at the bottom of page 827 of *Votes and Proceedings* for July 25, 1960, and reads as follows:

> In addition, the committee has given preliminary consideration to a number of other procedural problems and has initiated studies which will assist in a more comprehensive review of the matters referred to it.
>
> It is therefore recommended that a similar committee be appointed early in the next session to carry on these studies including the procedure on private bills of divorce which the committee has been asked and is willing to consider in so far as the problem is capable of procedural solution.

We are in a very difficult position, Mr. Speaker, with respect to this question at this moment, in that we are not certain whether the members of another place are going to approve a bill that was approved by this house. Parliament itself, therefore, may have given its stamp of approval to a procedure for the handling of private bills of divorce different from the cumbersome, awkward and exasperating system that has been in vogue for many years. The constitutionality of this procedure has been raised. I am not a constitutional authority. Since I am a farmer, perhaps my attitude on this question is just too simple. My attitude is that if a thing works, let us approve it. Of course I know the constitutional authorities will look at the matter exceedingly carefully to see if parliament has gone beyond its right in dealing with the matter, and I agree that such a look is important.

If it should, and I hope this is not the case, be necessary for the committee to deal with this question in the light of the old procedure, I hope it will be able to make some recommendations that will result in removing consideration of divorce bills from this House of Commons, while granting to the people who are involved the rights and protection that come from established legal procedures.

The Leader of the Opposition said he did not wish to speak too long. He was in favour of the motion, and he wanted action on this subject. Well, there is good reason to pass this motion on its own merits. There are other good reasons, namely the statistics on the continuing unemployment situation, which suggest to all members of parliament in January, as they did in November, that the House of Commons, parliament and the government have not yet effectively dealt with this situation.

Mr. Speaker: Order. The hon. member may initiate a debate, if he pursues that line, which would not be relevant to the subject matter under discussion.

Mr. Argue: If we took a long time on this procedural debate it would be suggested, I am sure, that we were delaying other far-reaching measures dealing with the emergency which might be presented to the house. Since this is not our attitude, and since we think this resolution is a good one and that the former committee made real progress, we are happy once again to support this motion. I hope that I may have the good fortune to be a member of Your Honour's committee again during the present session.

Mr. Speaker: Is the house ready for the question?

Motion agreed to.

INDIAN ACT

MOTION FOR APPOINTMENT OF JOINT COMMITTEE TO CONSIDER AMENDMENTS

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration) moved:

That a joint committee of the Senate and House of Commons be appointed to continue the examination and consideration, begun by a joint committee of the Senate and House of Commons, pursuant to a resolution of the House on April 29, 1959, and continued by a joint committee of the Senate and House of Commons, pursuant to a resolution on March 9, 1960, of the Indian Act, chapter 149, R.S.C. 1952, and amendments thereto, and to suggest such amendments as they may deem advisable, with authority to investigate and report upon Indian administration in general and, in particular, on the social and economic status of the Indians;

That twenty four members of the House of Commons, to be designated at a later date, act on behalf of the house as members of the said committee, and that standing order 67(1) of the House of Commons be suspended in relation thereto;

That the records, exhibits and evidence received and taken by the joint committees appointed at the last two sessions to examine and consider the foregoing matters be made available to the said committee and made part of the records thereof;

That the said committee have power to call for persons, papers and records and examine witnesses under oath; to sit while the house is sitting, and to report from time to time; and to print such papers and evidence from day to day as may be ordered by the committee and that standing order 66 be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose, and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

She said: Mr. Speaker, the resolution proposes to reconstitute the joint committee of the Senate and House of Commons on Indian affairs which was first established in 1959 and was reconstituted last year to pursue the examination and consideration of the Indian Act and the Indian Act administration in general. I do not think I need to dwell upon the details of the resolution itself, which is presented in essentially the same form as that which was approved by the house a year ago. When the joint committee reported on July 5 last year it made the following recommendation, which I quote from the final report of the committee:

Your committee unanimously recommends further that immediately after parliament reassembles next session, a similar committee be reconstituted to continue and complete the hearing of representatives of Indian and other organizations, departmental officials and also review the Indian Act.

Those members of the house who have followed the work of this committee during 1959 and 1960 are well aware of the substantial amount of work which remains before the committee can be ready to formulate its final recommendations. The committee will first of all, I presume, wish to complete the hearing of Indian organizations and other interested non-governmental groups. It will then proceed to examine and hear from the appropriate departmental officials whom it may wish to call. I would assume this would be their procedure, and that probably only then would it be able to turn its attention to the detailed examination of the Indian Act itself and the formulation of those legislative changes which it may wish to recommend for consideration by the government and by parliament.

It is the government's hope that the committee, by getting an early start this session, will be able to complete its monumental task and present its final report with recommendations by the end of the present session.

I should perhaps make reference in conclusion to the recommendation contained in the committee's final report of July 5, 1960, which was referred to by the hon. member for Skeena (Mr. Howard) earlier this day with respect to section 112 of the Indian Act. I gave an assurance to the committee last year and also in 1959 that I was in agreement with the committee's view that section 112 should be amended at the earliest possible opportunity by removing the much criticized provision for the compulsory enfranchisement of Indians.

Indeed, Mr. Speaker, I have never made any secret of the fact that I thought this particular provision in section 112 should never have been in there in the first place. It has not been used either by this government or by the preceding administration. Consequently I felt there was no point in keeping it in the act. I would have brought in an amendment to the act last year had it not been for the fact that I had anticipated that the committee might have finished its work last year and that all the amendments could be made at one time. However, I am glad to announce that the government has accepted this recommendation of the committee and that it intends to introduce at the present session of parliament legislation to amend section 112 in the sense recommended by the committee. In that way those persons who will appear before the committee this year will be assured of this action, and whether or not the committee is in a position to make its final report we will at least have cleared up this one section of the act which has caused considerable controversy.

Mr. Hubert Badanai (Fort William): Mr. Speaker, during the past two sessions of parliament I have had the privilege of serving on the joint committee of the Senate and House of Commons on Indian affairs which was established by a resolution, as intimated by the Minister of Citizenship and Immigration, in April, 1959. This committee continued to operate during last session and heard a great number of submissions and briefs from nearly every Indian tribe and reservation, supported by various competent speakers.

The sum total of all these meetings was the conclusion drawn by several members that our Indians were more than justified in asking for a revision of the act which would give them the same rights as those enjoyed by all Canadians.

The mere change or amendment of the act will not bring immediate integration of the Indian population. Before we can obtain the desired result it will require patience, guidance and financial assistance by both federal and provincial governments. The ultimate objective, however, should be a full integration of Indians and whites, which can be seen bearing fruit in several parts of Canada.

As an example I will refer you to what has taken place in the Kenora district of northwestern Ontario. There a public school which had 75 pupils accepted 50 Indian students, and it was found that there is no intellectual difference between them and the white pupils. The principal of that school made an observation to the effect that while a slow Indian student may be slightly slower than a slow white student, a bright Indian child is every bit the equal of a bright white child. The principal of this school—and I wish that we had more principals like him —made the statement that the younger Indian children integrated with the white children immediately, and that the older ones took longer only because they were shy. However, he is certain that if this policy of integration continues, even the slightest variations of racial behaviour will in time disappear.

A special effort should be made to ensure that no Indian pupil will be deprived of the benefit of secondary education. A definite policy should be established by the Indian affairs branch, in co-operation with the provincial departments of education and school boards, in order to make sure that every Indian boy and girl be encouraged to attend high school, vocational and technical school. Where necessary assistance should be provided for transportation and in some cases also for noon meals during the school period. I also strongly urge the government to set up scholarships to be given to pupils qualifying for higher education. This is a most important feature and it should receive the hearty approval of the minister, who has shown a sympathetic understanding of the serious need to improve the educational standard of our first citizens.

I am told that while the doors of immigration are partially closed to most classifications of trades and labour they are wide open for trained domestics. I offer no criticism of this. I do, however, suggest that we are passing up an excellent opportunity by not making an effort to make use of a great number of girls living on reserves. Why not set up special classes in our elementary or vocational schools? Why not institute a training program for young Indian girls to train them in household duties, child care and a general idea of what to expect in domestic service? This would be assistance of inestimable value.

While the Indian on the reserve retains many of the traditions of his forefathers, some of the traditions have been dropped. The heredity principle, if not altogether scrapped, has been greatly modified as can be seen through the present method of choosing chiefs. Chiefs are now elected in very much the same way as our own communities elect their mayors. These elections are the cornerstones of a new era of democracy on the reserves which might well pave the way to self-determination among the first Canadians.

Last year Indian chiefs and counsellors from reserves scattered throughout northwestern Ontario met at a conference in the Quetico training centre. They went through a course of training under the direction of officials from the Department of Citizenship and Immigration, Indian affairs branch, and I am sure the minister has a full report of this meeting. This course was designed to bring better understanding of the responsibility of leadership that rests with the chiefs and counsellors in the reserve.

Mr. Speaker: I am sorry to have to interrupt the hon. member, but I call his attention to the fact that the question before the house is the setting up of a joint committee and not the subject matter and details of Indian affairs which will come before that committee. All members of the house, if we accept this resolution, will have opportunities to present to the proposed committee such ideas as the hon. member for Fort William is now presenting here and it would seem to me inappropriate on this resolution, which is confined to the simple question of whether or not we are to establish this committee, to go into the matters which would naturally

come before that committee, at any rate at length. I hope the hon. member will govern himself accordingly.

Mr. Badanai: I am endeavouring to point out the need for a committee to deal with these matters, and I believe I should bring to the attention of the house some of the questions which I think it will be desirable for the committee to take up. I am pointing out some of the ways by which this committee might function more effectively on behalf of our Indian population.

Mr. Speaker: I accept the hon. member's view to that extent. He would not be out of order in enumerating the matters that this committee might deal with but it seems to me it would be out of place to elaborate on them, because it is asking the house to do the work which the committee itself is being set up to do.

Mr. Badanai: I will modify my remarks to conform with your ruling, Mr. Speaker. I would say that the Canadian Indian, to whom I shall refer during my remarks as the first Canadian, by virtue of legislation passed at the last session, is now a full-fledged voting citizen with representation in the Senate, and here I should like to record the facts that in 1940 a special joint committee of the Senate and House of Commons recommended to the government of the day that the federal franchise be extended to all Indians. Unfortunately opposition developed among some of the Indians themselves, as a result of which the parliament of that day decided not to put the committee recommendation into effect. As indicated by the hon. member for Skeena (Mr. Howard) it appears there is still some opposition today to this worth-while recommendation, but I point out that these objections will in time wear out. It has taken 20 years for opposition to the voting privilege to wear down to the point where this privilege is being accepted as a right.

May I say for the information of the house that on September 26, 1959, at my invitation, Senator James Gladstone visited the reserve at Fort William. The city council tendered a luncheon in his honour, and in the evening a large meeting of several hundred Indians and others was held at Chippewa park. The reception was held under the auspices of the board of parks management who supplied the refreshments.

Chief Frank Pelletier of Fort William acted as chairman and arranged a pow-wow to celebrate the visit. All in all, it was a great day for these people.

I wish to avail myself of this opportunity to express the grateful thanks of my constituents to the senator who represents all the Indians of Canada for his keen interest in their welfare, an interest which he has demonstrated by making personal contacts and visiting Indian communities across the country.

Notwithstanding the recognition that Indians should enjoy equal rights with all Canadians the truth of the matter is that they do not by any means possess those equal rights. Take, for example, the case of an Indian ex-serviceman in my own constituency, who on the field of battle won no less than six medals. Yet this man was denied the privilege of having a bottle of beer in his home. His name is David Kimball of the Fort William Indian reserve. He was charged for having beer in his home. He was fined $70 and costs, or 50 days in jail. When he appeared before the magistrate—and I quote his remarks as reported in the press—he said: "I fought for this country. They gave me six medals. They advertise beer on T.V., but I can't bring it home. I plead guilty." The magistrate told him that he had to obey the law as it was presently constituted, and that until a change was made Indians could not have alcohol on the reserve.

Of course, this is no indictment of the magistrate. It is the law which should be changed. Here I should like to point out that there is a clear responsibility on the part of the Indian affairs branch to inaugurate an adult education program by means of films, lectures and reading material to make the Indians realize the dangers of alcoholism and its effect on their homes and social life.

Unless substantial changes are made in the Indian Act, changes or amendments which will give these people opportunities and privileges equal to those enjoyed by all citizens, the bill of rights which was so ceremoniously introduced during the last session of parliament will remain only a limited declaration of intentions.

The question of rights and privileges for Indians is so confused that there is little wonder that so many petitions and briefs were presented to the committee during the last two sessions of parliament. The bill of rights in its present form does not protect the Indians. To be effective it requires that a number of changes be made in the Indian Act. I dare say that a considerable number of Indian leaders are demanding that necessary changes be made in order that whatever privileges may exist under the bill of rights be extended to them. One of them has to do with the title of reserve lands and the right of Indians to own lands, the lands comprising the reserves used by their ancestors for centuries and the homes which have been built on them.

Owning property is one of the principal rights which is recognized in the bill of rights as one of the freedoms but as the title to the reserves is in the name of the crown the Indians are barred from owning their own land. Therefore, under the present act, the Indian can obtain a certificate indicating possession but he cannot sell or transfer the title to anyone not a member of the band, the whole purpose being to prevent a break-up of the reservation. That is the reason why some groups made representations to the committee urging the abolition of the certificate system in order that all lands be held in one parcel.

The restriction imposed on the sale of land only to another member of the band will militate against his being able to obtain a fair price for his property, a practice which of course is not in keeping with the fundamental freedoms enunciated in the bill of rights.

Another flagrant violation of human rights is suffered by an Indian girl if she happens to marry a non-Indian. In that event under the provisions of the present Indian Act she ceases to be an Indian and is disqualified to inherit her father's property or home.

Mr. Stewart Udall, a member of the United States house of representatives, who was recently appointed secretary of the interior by president-elect John F. Kennedy, immediately after his appointment made this statement:

> We have not done enough for our Indian citizens —we can do and intend to do a better job.

That is precisely the spirit in which this resolution should be accepted by all members of the house irrespective of where we sit. No lesser objective and determination should be shown by the government in dealing with amendments to the present Indian Act which should be expected to be brought into this house at the earliest possible moment.

The department should consider the establishment of modern fish processing plants which would encourage many Indians to enter into the commercial fishing field. As an example, Armstrong Fisheries was organized by a group of commercial fishermen in northwestern Ontario which will operate a processing plant at Pickle lake, capable of handling one million pounds of fish a year. This plant will provide good cash returns to the Indian population of the district of Patricia.

Mr. Speaker: Order. I know that the hon. member wants to observe the rules of the house. The matter he is now embarking upon is one that should perhaps come before the committee. Although he is at liberty to put the suggestion at this time the hon. member might well reserve the details for the committee.

Mr. Badanai: Mr. Speaker, I merely wish to point out the great advantages that could accrue as the result of the government encouraging the establishment of such plants and I hope the committee will approve such a recommendation in order that it may later be implemented by parliament.

I now pass on the subject of education which I feel is paramount. Indeed, in my opinion it is the key to a successful contribution toward a higher standard of living for our first citizens who have for far too long suffered economic inequalities in relation to the white man, inequalities in opportunities for education, inequalities in opportunities for employment in various occupations, inequalities in cases of public welfare apart from the treaty pittance which is doled out annually on the reserves. What is needed, in short, is a recognition of the right of the Indians to equality with all Canadians.

These people feel, and not without some justification, that they have been neglected. They point out the difference between the white communities and the slums on their reserves. They feel deprived of the opportunity to make a reasonable living on the reserve and sometimes despair as to what should be done about it.

In the brief presented by the Blackfoot Indians to the joint parliamentary committee during the last session they suggested changes which called for a reform of the entire structure of Indian policy and a program of assistance. I wish to quote from an article written by William Morris which appeared in the magazine section of the *Globe and Mail* of December 3, 1960:

> Answers will not be found until the government takes a new look at its entire treatment of the Canadian Indian. Radical changes will have to be made in its legislative program and the administration of the Indian affairs branch—both long overdue. At a recent meeting of the joint parliamentary committee on Indian affairs, the Blackfoot Indians pressed for such a sweeping change. But they believe that the government, which while in opposition appeared to be their champion, is not capable of giving them the leadership they badly need.
>
> They have good reason for their belief. In its 3½ years of power, the government of John Diefenbaker has failed to introduce any policy which would come to grips with a major question affecting Indians.

Mrs. Fairclough: Mr. Speaker, I have a great deal of sympathy with the hon. gentleman in his interest in the Indians but the article he is now reading is a most controversial one which in parts bears little resemblance to the truth. If this is to be

introduced in this debate then we are going to open this up into a full debate on Indian affairs policy having very little to do with the actual setting up of this committee. In that event I shall certainly feel called upon to refute the arguments described and put forward by the author of the article which the hon. member is now quoting. I personally feel that this would be much more appropriately discussed on the estimates of the department or at such time as the act is before us for amendment.

Mr. Speaker: If the hon. member wishes to say anything in support of his right to read the article I will hear him, but I must consider the position which has been taken.

Mr. Badanai: Mr. Speaker, on the point of order raised by the minister I am quoting an opinion reported in the *Globe and Mail.* I appreciate both the minister's sympathy and her concern about opening up too wide a field of debate. I am merely quoting what this author says about the lack of government legislation. I am sure the minister is considering, and I know she will introduce, legislation which will be beneficial to all the Indian people of Canada. I am merely pointing out the defects to show that up to now the Indians have been neglected. That is the only reason why I am pointing it out and attempting to read this particular observation.

Mr. Speaker: May I just say for the guidance of the hon. member that it seems to me he is going too far when he attempts to introduce a controversial matter which discusses the merits of the issues which the house now seeks to refer to the committee.

The only question before the house is whether the former joint committee will be continued for the purpose of considering the affairs of Indians and the administration of the Indian Act. That is the point before the house, whether or not it is expedient to continue this committee. The various matters which the committee will have to consider are not in debate. If the hon. member introduces too many of them—I have been patient with him up to this point—then the only result will be to encourage other hon. members to extend the debate beyond its proper scope, and I hope he will not put me and the house in that position.

Mr. Badanai: Thank you, Mr. Speaker. I shall forgo the reading of the rest of the quotation, which, in my view, is important in relation to the question we are discussing, namely the purpose of the establishment of the committee. In my view its purpose is to rectify any injustices which have been perpetrated upon the Indian people up to now. That is the only purpose. In any event I shall forgo the reading of this particular article which is very good indeed. I commend it to every member of the committee.

It has been established, of course, that more and more of our first Canadians are becoming integrated into city life and are leaving the reserves. Some have made a success as farmers, tourist camp and gas filling station operators, and in dozens of other trades and professions. Therefore, there is no valid reason to believe that they cannot succeed in fields which up to now have been considered as the white man's preserves. All they need is education and training.

In answer to one of my questions, the Minister of Labour (Mr. Starr) assured the house that the vocational training provided under Bill No. C-49 would apply to Indians on the reserves. I express the hope that the Indians on the Fort William reserve, as on all the reserves in Canada, will avail themselves of this opportunity, because it is the kind of assistance that I have been advocating ever since my election to parliament.

I also wish to point out to the minister that the method by which men are selected for training under this scheme should be such that it will not discriminate against applicants from the reserves, and that adequate assistance be given to them while they are in training to the same extent as it is given to others. The minister said that the selection would be the responsibility of the provinces. While I do not think that the provincial authorities will discriminate in any way against Indians, nevertheless I should like to suggest that a special recommendation on behalf of the Indians be made by the minister to those who will have charge of approving the applicants for vocational training as outlined in the legislation.

The Glenbow foundation, which is a charitable institution organized in Calgary, has recently submitted a recommendation urging the joint committee of the Senate and the House of Commons to give consideration to the enactment of legislation to protect archaeological remains or sites on Indian reserves, especially in areas which are threatened with destruction by excavation for power projects and other developments. I commend this suggestion to the minister as being worthy of serious consideration, with the added recommendation that in this work of preservation of historical sites preference for employment be given to local Indians.

I cannot think of anything more appropriate to conclude my remarks on this important and challenging subject than to quote a few sentences from a report of the Indian-Eskimo association of Canada:

> We see that there has to be a continuing effort to create among the Indians, material well-being, civic sense, and social cohesions. We do not see how present safeguarding of the peculiar Indian rights and present enforcement of their disabilities can be combined harmoniously with their journeying to the good life.

I submit that while there may not be easy solutions of the various questions which I have endeavoured to bring to the attention of this house, I do believe however that if we approach the problem with good will and determination, satisfactory results will be produced to the end that our first Canadians will eventually share with all other Canadians the responsibilities and privileges of citizenship.

Mr. Frank Howard (Skeena): Mr. Speaker, in rising to make a few comments on the motion before us I too, like the hon. member who has just resumed his seat and also the minister, of course, look with great expectations upon the establishment of this committee and the results which we hope will flow from it.

As the minister indicated, the committee last session made a unanimous recommendation with respect to the compulsory enfranchisement section of the act, recommending that it be removed. I do not think there is anyone in the country who would disagree with that recommendation. Had the government moved with alacrity and undertaken to accept the bill that I introduced last session and again this session they could have accomplished that object, namely the deletion of section 112 from the Indian Act. This course is still open to the minister. In fact, it would mean less work for her if the government adopted the bill I now have on the order paper for the elimination of section 112, and that could be done without any difficulty.

During last session and the session before it was my privilege to be a member of the committee and I hope I shall have the opportunity to be a member during this session. There are, of course, others of my colleagues in the C.C.F. party who have an intense interest in Indian affairs. Owing to our democratic process of electing members to the committee I may have some difficulty in overcoming their desires but I hope I shall be successful.

I for one expect that the committee will have sufficient opportunity and length of time at its disposal not only to conclude its hearings during the present session but also to conclude its work with respect to all details, the most important of which, of course, is the making of recommendations to parliament for amendments to the act and changes in administration and other Indian affairs.

I think these recommendations must be couched in the most definite terms. I do not think they should be to any degree wishy-washy or hopeful that certain circumstances will develop. As I have said, they should be strong and definite and as all-inclusive as possible, covering all facets of the problems confronting our native Indian people. There should, of course, be a striving toward unanimity of the committee with respect to whatever recommendations it produces. In my opinion, the stronger, the more definite and conclusive these recommendations are, the better the chance will be of their becoming a reality in statute form and in policy and administrative procedures on the part of the government in office.

Our attitude in the past toward our native Indian people is something of which we should not be too proud. I have mentioned a number of times in the house and elsewhere that the history of our treatment of our native Indian people leaves a great deal to be desired. We—when I say "we" I mean the non-Indian population because in this relationship I do not think the term "white man" is correct—in effect have ruined their economic structure without attempting to replace it with something else with which they can cope. To a great extent we have disregarded their historical background, their arts and their culture without bending too much effort even to understand or appreciate them and have attempted to force them to accept our way of life.

We have discriminated against them in employment, in educational opportunities and in other ways too. To a great extent we have disregarded their rights as individuals and as a group of people. A recent case in point is the action of the government of British Columbia in its almost callous invasion of the Kitwanga reserve in my constituency for the purpose of building a highway. When I say "callous invasion" that is just what I mean. Officials invaded the reserve without even the initial courtesy of writing a letter to anybody saying that this was going to be done, and subsequently they were forced to sit down and negotiate with respect to the value of the land taken and the timber destroyed. That is just one recent example of attitudes that have been displayed in the past.

I hope that this committee after its extensive hearings and consideration of the matters before it will be able to make a start on reversing past actions and attitudes so that our native Indian population can have all the

opportunities available to other citizens of this nation, so that they can develop their individual potentials, so that they can live a fuller life, so that their culture and history can be absorbed by us to help to enrich our culture and history.

One of the most important things leading toward this end which should be considered by the committee and by everyone concerned is the question of education. I refer not only to the type of formal education we have in mind when we think of children going to school but also to adult education because a great many elderly native Indian people are still illiterate so far as our language is concerned, never having had the opportunity to attend school. They have never had a chance to absorb our ideas or to impart to us their own ideas. Education should be extended to include adults also but with more importance being placed on the children because the native Indian children of our nation in the same way as other children are the ones who hold the future of their race and of our society in their hands. They are the ones who will be making the greatest strides toward assimilation, integration or whatever term you wish to use in dealing with the relationship between Indian people and non-Indian people.

I think the committee should consider that education should not be confined solely to the teaching of traditional school subjects such as reading, writing, arithmetic, etc. I envisage an amalgamated school system and, hoping that the committee may consider it favourably also, I hope that the committee will take into account teaching native Indian people about their way of life in the past, their history and their background and also teaching our children the same thing so that all of us can benefit by the process of education.

I think the committee should look carefully into the experience gained in past years through the use of the so-called amalgamated schools. Under this system the Indian affairs branch enters into an agreement with a local school board for the teaching of Indian children in schools under the jurisdiction of the provincial government. The Indian affairs branch pays a certain per capita amount and in some cases contributes toward the capital cost of construction of schools or additions thereto. This is an important thing. It is a new development in the last 10 or 12 years and to quite an etxent it is still considered by some to be an experiment.

This matter should be carefully considered by the committee, for it is my hope that the eventual result will be that all our native Indian children will be taught in schools under provincial jurisdiction where non-Indian children are taught. As quickly as possible and as much as possible the Indian affairs branch should get out of the picture so far as education is concerned so that it will all be under provincial jurisdiction.

The basis for this argument, of course, is a simple one, equality of treatment. This is one thing which I think the members of the committee should always keep in their minds, that we should look toward the placing of our native Indian children in such schools on an equal basis and there should be equal rights and responsibilities resting upon all of us in this regard.

There is another question of general importance but of more importance in some parts of the nation than others and of more importance to some individual native Indians than others. I refer to the question of liquor rights. As I say, some people have more interest in this than others.

Mr. Speaker: May I ask the hon. member whether that is not entirely a matter of provincial administration? I noticed that the hon. member for Fort William referred to the question and I am not sure whether the Indian Act deals with that subject.

Mr. Howard: On the point of order you have raised, Mr. Speaker, there is what one would call divided jurisdiction in this field. The Indian Act deals with the question of liquor as it relates to Indians and provincial statutes also apply in this field. A most discriminatory situation results from this two-fold jurisdiction. The Indian Act provides that they cannot have liquor and then it says that they can have liquor under certain circumstances and in certain parts of the province, depending on what the province says. This is discriminatory. In so far as liquor is concerned, in British Columbia we treat our native Indian people not even as second class citizens but perhaps as third or fourth class citizens, more as children than as adults.

We have had a Social Credit government in that province for some eight years. They have continued this discrimination by refusing to act. In fact, I would say they have done nothing in the field of Indian affairs in all the years they have been in office. However, this is a provincial matter. There are references in the Indian Act itself, which this committee will be considering, to liquor and its relationship to the native Indian people. The committee might very well consider, therefore, the question of removing the federal government entirely from jurisdiction in so far as liquor is concerned, removing all the sections in the Indian Act that relate to liquor. The basis for this argument is equality of

treatment, equality of rights and responsibility. The provincial governments might be left to legislate in the field of liquor as they see fit. I believe this procedure would remove one of the most unfair parts of the statute as it relates to this particular social matter. The basic point from which to start is consideration of equality of rights, equality of responsibility. If the other citizens of this nation desire to have a drink of liquor of some sort, they do not have to resort to a bootlegger and pay $10, $15 or even $25 for a bottle of cheap, rotgut whisky. The only reason the Indians have to do this is the fact that they are Indians.

I was just reading a newspaper article which recites some of the results from this state of affairs. The Vancouver *Sun* of January 17—

Mr. Speaker: Order; if the hon. member is pursuing the question of the law with respect to the use of liquor by Indians, I think he is going beyond the scope of the debate. He has indicated, very properly, that the committee might well consider that matter, but the other submission would be better deferred and made to the committee if this question is to be properly debated.

Mr. Howard: I do not wish to contravene your ruling in any way, Mr. Speaker. I was simply going to make reference to an occurrence that would point up the necessity of the committee giving this matter intense consideration because the lives of people are involved. The Vancouver *Sun* of yesterday points out that 14 people became seriously ill on a reserve at Kamloops, one of them is still blinded and two others died as a result of a drinking party. They made the error of drinking methyl hydrate, which is rather poisonous. This occurrence just illustrates the results of these unfair and discriminatory liquor laws. I think the committee should take this into account because it is more than just a social problem when people's lives are involved.

The committee should give intense consideration to the field of health and welfare. A number of submissions have been made to the committee on these subjects in past sessions. In this field again we are, in effect, saying there is twofold jurisdiction because in so far as the Indian people are concerned the federal parliament can legislate and in so far as the various provinces are concerned they, too, can legislate with regard to matters of health and welfare which affect the residents of those provinces. It would seem to me the committee should give adequate consideration to whether the federal government should take the step of transferring jurisdiction over Indians in the field of health and welfare to the provincial governments who now have extensive health and welfare departments established. Perhaps this step would eliminate such cases as the 90 school children who received some public attention recently when they had to have teeth extracted. This caused some furore and resentment amongst the Indian people against the department of health and welfare, the Indian affairs branch and everybody else.

The committee should consider another matter of extreme importance, namely the economic development and the economic opportunities available to native Indian people, especially on our reserves. Their employment opportunities are restricted now even more than by the collapse of our economy generally occasioned by this government. Their employment opportunities are restricted primarily because of the fact they are native Indians and have not had the educational background necessary to enable them to fit in to our type of economy, even when it was running properly. This is a matter to which the committee, I believe, should give intense consideration.

I believe the Indian affairs branch itself realizes this is a problem, and has realized it for some time. In fact, the annual report of the department for the year ending March 31, 1960 refers to the problem of employment opportunities and the economic difficulties that native Indian people encounter when they try to compete in the various areas outside of their reserves. Many of these people, because of a lack of education or because they were channelled into particular types of employment, now find their economic life rests on one form of employment and they have not the ability to move to another type of employment. I know that on the coast of British Columbia, for instance, almost the entire economic life of the native Indian population rests upon the fishing industry. Their chances of expanding into other fields of employment are rather restricted. This is something the committee must take into consideration and I think must correlate with its consideration of the educational question.

Another matter to which the committee should give some attention is one which is often referred to in my province as the B.C. land question. Unless a solution is found to this particular land question the chance of advancing very far in other fields is somewhat limited. I know the Indians of British Columbia, for instance, claim that, apart from a couple of small sections, they have never extinguished or relinquished their title to the land in that province. There are no treaties in British Columbia except those connected with the one or two small areas to which I referred. The Indians say, in fact, that the

land upon which the provincial legislature building is situated is properly owned by them. This is a problem that has rankled them for many years and to which they have tried to find a solution. I feel the committee could help to find that solution by recommending negotiations by the government for the purchase of the land. Perhaps a court decision will be necessary to determine whether the Indians in fact have title to the land. I think they do.

The government, as we know, has already established a policy of re-negotiating treaties with the Indians. If they are willing to renegotiate certain treaties then we can assume the government would negotiate a treaty where none now exists. This is a question of property rights and equality of treatment of the people. If I own land or if you own land, Mr. Speaker, you have title to it and you have the opportunity of relinquishing that title. Unless a solution is found to this most important problem in British Columbia it will continue to remain a barrier between the native Indian people and the non-Indian people in these other fields I have mentioned such as education, housing, welfare and liquor rights.

I think my remarks should be drawn to a close now. As I said, Mr. Speaker, this is an extremely wide, broad and important field, and one in which I myself have an intense interest. I have a deep desire to see justice obtained for these people. This committee can start a reversal of the process that has taken place in the last 100 years or so in Canada. They can start us back on the road toward equality of treatment for our native Indian people. They can start us back on the road to the extension of justice to these people in all of their problems. They can start us back on the road of making provision for them to have an honourable existence; a full, secure and peaceful life; and equal opportunities for themselves and for their children in the same way as they are available to others of us in this nation.

The native Indian people I know, and with whom I have communicated and have spoken, are looking toward this committee with great expectations. Many of them have written letters to the committee itself. Many have appeared and presented briefs. Some of them were short, others were extensive and well documented. They are looking to this committee for a solution to their many problems. The committee has a great responsibility resting upon its shoulders with regard to the treatment of our native Indian peoples in Canada. I certainly hope that this committee does not disappoint these native people.

[Mr. Howard.]

Mr. Speaker: I must inform the house that if the minister speaks now she will close the debate.

Mr. Pickersgill: If I may, Mr. Speaker, I should like to rise on a point of order. I think Your Honour did not see my friend the hon. member for Kent, N.B. (Mr. Michaud) rising as the minister was rising.

Mr. Speaker: No, I did not see the hon. member for Kent, I am sorry to say. I recognize the hon. member for Kent.

Mr. H. J. Michaud (Kent, N.B.): Mr. Speaker, my reason for not rising perhaps as quickly as I should have risen was that I expected another hon. member behind me to do so. I just wanted to say briefly that I welcome the motion which is now before the house to establish this committee. The motion reads in part as follows:

> —and to suggest such amendments as they may deem advisable, with authority to investigate and report upon Indian administration in general and, in particular, on the social and economic status of the Indians.

I think this is a valid purpose indeed in the establishment of this committee. My only suggestion at this time stems from a conversation I had during the Christmas recess with one of the chaplains on an Indian reserve in my own riding. I refer to the Big Cove reservation. These are the two suggestions that were expressed to me by this chaplain and I should like to impart them to the minister at this time.

In the course of this discussion it was suggested that it would be to the great advantage of this particular reservation if a chaplain were established in permanence on a reservation. It was recognized that in certain respects this procedure might present certain difficulties but it was thought that possibly this result could be arrived at in the following manner.

I perhaps should say that this reservation is now possessed of adequate school facilities but that one of the handicaps is that no vocational training is being given in these schools. It would seem that vocational training is essential if we wish to improve the economic status of the people living upon this reservation. The suggestion advanced by this chaplain was this. Of course I should perhaps say that all the people living on this reservation are of the same faith. The suggestion advanced was that it would be to their advantage, both in the material sense as well as in the moral sense if, as I have just mentioned, this chaplain had permanent residence upon the reservation in order to give to these people the social leadership and moral guidance which is required.

Mr. Speaker: I am not sure whether the hon. member was here when I intervened previously. In essence, he is pleading a particular cause or grievance of the Indians. The proposal is to set up a committee to hear all these matters. To my way of viewing the matter that would be the proper time at which to pursue problems such as this one. I have perhaps allowed hon. members to go further than they should strictly be allowed to go on this motion.

Mr. Michaud: I appreciate your ruling, Mr. Speaker. I have already achieved what I had intended to achieve when I rose. My purpose was just to impart to the minister the suggestion to which I have already referred.

Mr. Arnold Peters (Timiskaming): Before the minister replies, Mr. Speaker, I should like to raise a matter that has been brought to my attention by some of those who are dealing with the Indians in northern Ontario and northern Quebec. It is true that I should like to be on the Indian affairs committee but I do not represent any Indians of a reservation nature. There are no reservations in my riding. However, I have some interest in the problems in the adjoining areas that have reservations.

In talking to a gentleman who has an influence on and is closely connected with a number of mission schools in the Hudson bay area I was interested in some of the comments he was making. A year or two ago I had discussed the problem of enfranchising the Indians, some of the problems that might be expected to result from that franchise, and the fears that the Indians themselves were expressing. I was pleased to hear from him the other day that these fears had in the main been allayed.

He was telling me that they have a problem that the Indian affairs officials in the mission are in no way able to deal with, namely the problem of taking the children of Indians, particularly of those who go into the bush in the winter, and asking them to reside in schools with other Indian families or in boarding schools for short periods of time. He pointed out to me that seldom do the children ever get more than four years in school on this basis. It has been the practice in the last two or three years to get children in these schools from the age of 12 years to 16 years. They are beyond the normal school age when they get them. They have been with their families who travel into the bush in the winter time. When the family goes out in the fall they may be persuaded to leave one or two of these children with the mission or with one of the schools.

Those members of the family who do go into the bush learn in an Indian way the abilities of their forefathers. They learn in the bush itself to pursue the family tradition and to successfully follow the pursuits in which the family has been engaged for generations. The children who attend school, and who may receive four years of formal education, do so at a time when they would normally be learning to carry on in the footsteps of their forefathers. By the time they are 16 they are satisfied with schooling but are no longer able to return to the particular occupations available to Indians who have not had the opportunity of attending schools. Thus it means they have been deprived of part of their normal education, an education which they would have received if they had followed their families.

Mr. Speaker: Order. Perhaps the hon. member was absent from the chamber and did not hear the view which I expressed several times during the course of this debate. This is a problem which could quite properly be presented to the committee if the house decides to set it up, but it is not in my view relevant to the question now before us and it is not in order to discuss it at the length at which the hon. member is discussing it.

Mr. Peters: I heard Your Honour's ruling on several occasions, Mr. Speaker, and did not intend to contravene it, but this is a problem which has come to light quite recently in the Hudson bay area and it is one which as far as I know has not yet been considered by the Indian affairs committee. I was only trying to outline sufficient of it to indicate that the problems of education are different in the Northwest Territories where we have trained people for other purposes. This is an academic educational training which is being given now. This was not necessarily the type of education which was being given before. It is not connected with vocational training—

Mr. Speaker: Order. As I have indicated, I think the hon. member has already gone as far as he can in discussing this question. The problem to which he is referring is not before the house except by way of illustration of the need for having a committee set up.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): There is no particular desire on my part to prevent my colleagues displaying their knowledge of Indian affairs and their sympathy for the Indians, because I know it is very real. However, I do think some of the remarks made would leave the house with a false impression of the circumstances that exist today, particularly in the field of education where we

recognize there is a great deal left to be done. Possibly I could transgress the rules long enough to say that today 90 per cent of all Indians of school age attend school. This, I think, is a great improvement. Moreover, the situation continues to improve almost from day to day.

The hon. member for Fort William (Mr. Badanai) was insistent on scholarships. We already have scholarships. In fact, there are 44 scholarships of various types available for which Indian children can compete, and I say, further, that any Indian student who demonstrates a capacity to absorb knowledge can acquire just as much education as he is able to absorb. This is the result of a progressive policy which has grown over the years. The whole problem of education will only be solved in a matter of time as these people become more and more convinced of the necessity of encouraging their children to acquire as much education as they possibly can.

Once more, I do not want to try to answer all the various pleas that have been made, because you, Mr. Speaker, have already told us that this type of debate is out of order, and I think it is. However, I did not want to let all the comments which have been made on this educational question remain on the record without throwing some light on the situation as it is at the present time.

I should like to thank hon. members for their participation in this discussion, and I trust that when the committee meets they will throw their efforts wholeheartedly into the work of this committee and give us and the Indians every assistance in the direction of clarifying the requirements of the Indians today in an effort to produce for them an act more in keeping with the present day circumstances.

Motion agreed to.

BROADCASTING

APPOINTMENT OF COMMITTEE ON RADIO AND TELEVISION

Hon. George C. Nowlan (Minister of National Revenue) moved:

That a special committee be appointed on broadcasting to consider radio and television broadcasting with power to examine and inquire into the matters herein referred to and to report from time to time their observations and opinions thereon and to send for persons, papers and records;

That the committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary;

That the committee shall consist of 35 members;

That standing orders 66 and 67 be suspended in relation thereto.

Mr. Pickersgill: I wonder if before the minister rises I could raise a point of order.

[Mrs. Fairclough.]

Mr. Speaker: I will hear the hon. member, but I have not yet put the motion before the house.

Mr. Pickersgill: I rose before Your Honour put the motion because it seemed to me on reading the motion, which I read just before the Clerk did so, that there seems to be some defect in it. It asks that a special committee be appointed to examine and inquire into matters herein referred to, but I have scrutinized the motion and find that in fact there are no matters referred to therein. I am wondering if at some stage a paragraph has not been left out of the motion.

Mr. Speaker: As the hon. member reminded me the other day, no motion is void because of its vagueness. He may have an opportunity to move an amendment later.

Hon. George C. Nowlan (Minister of National Revenue): I noticed the line to which the hon. member for Bonavista-Twillingate has drawn attention. This motion was drafted by the law officers and I assume that a line has been left out, perhaps in the printing. I will check on it. At the moment we will take it for granted that we have a resolution before us.

The resolution was drawn in wide terms in order to permit of a full and complete investigation of all matters respecting broadcasting and telecasting, private and public. I do not intend to take the time of the house, because I know there are several hon. members who wish to speak on the subject and time is somewhat limited. In addition, I am, of course, always an optimist, and hope I can get this motion approved before six o'clock. All I can say is that this committee is being set up early in the session so as to permit a full study of all matters respecting the broadcast industry of Canada, public and private. This is one of the most important public media of information we have, and one which, I know, deserves the careful scrutiny of the house. I am sure the committee will give it the study which it deserves.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am glad that Your Honour has drawn attention to the vagueness of the motion and that it has been underlined by the Minister of National Revenue (Mr. Nowlan) because I think it will be very difficult for the minister, the Chair or anyone else to rule out of order anything that I may choose to say about this motion so long as it has any vague reference to broadcasting.

I have complained, sir, and I complain again at the outset, about this motion. We in the opposition do not want a vague and general reference. We have asked over and over again for a specific and particular reference to which

we feel we have been entitled as a result of an understanding which we believed was reached with the government at the time the present Broadcasting Act was enacted in 1958.

At that time we forewent the right to have this bill sent to a special committee at the request of the government in order to enable the bill to get through in that session in a reasonable time. We understood that when a committee was set up the first task entrusted to that committee—and that the terms of reference of the committee would so indicate —would be to examine the operation of the Broadcasting Act clause by clause so that we could see how it was really operating, because we in the opposition took as strong exception to certain sections of that act at that time as we have taken to any legislation which has been introduced in this house by the present government and we believe the experience with that act has shown that the exceptions we took to that legislation were soundly based.

We realize that because of our conventions in this house the opposition will be in a minority in the committee as it is in the house. I am not complaining about that fact. We also realize that unless the terms of reference are specific it will be possible for the majority, as has happened previously when committees on this subject have been set up, to introduce other matters and vote down our efforts to carry out what we believed was the inquiry pledged to us by the government.

I hope that before this motion is passed the minister will see fit to have one of his colleagues propose an amendment to indicate that in the investigation to be conducted by the committee priority should be given to a clause by clause examination of the act. Otherwise, the opposition—of this I feel quite confident—will once again be denied the opportunity to carry out that investigation because the majority of that committee, which was not very respectful of the minister two years ago as the hon. gentleman will recall, will pay no attention and will proceed to ride their own horses.

I am not complaining about that, either. If the motion is left vague and indefinite they have, of course, every right to do that. The undertaking which we understood was given to us by the government should, I feel, be carried out in good faith by the government and I am once more asking that this be done.

Unlike the Minister of National Revenue, I am not a lawyer and I have ceased even the formal study of law. In order to remove some misapprehension in the house I thought this a suitable occasion to make a public declaration to that effect. On a careful appraisal of the matter I have come to the conclusion that there are other fields of endeavour which perhaps may be more immediately rewarding and in which, perhaps, the fictions do not necessarily need to be legal. However, I am afraid I am, even on the vague terms of this resolution, somewhat out of order at this moment and so I come back to the resolution itself.

As I say, if I read this language correctly, there is no matter herein referred to that is going to be before this committee on a strict reading of this motion unless "radio and television broadcasting" can be described as matters, and "broadcasting" is a singular noun and therefore it seems to me it would be hard for it to be "matters". It does not seem, therefore, that the motion in its present form makes any sense at all. I intend to suggest that there should be certain priorities given and the highest priority, I repeat again, should be the carrying out of what we understood to be the undertaking given by the government in 1958.

The second matter that I believe the committee ought to discuss is that of the granting of private television licences in those communities where the C.B.C. has up till now had the exclusive licence. This has been a matter of great public controversy particularly in the city of Toronto where notwithstanding the fact that the board of broadcast governors said they had the greatest difficulty discriminating between the nine applicants, they chose to give the licence to one of those which was also a newspaper. I would not have cared which newspaper it was, I would have objected, because I think that when the applicants are equally good a licence should not be given to the proprietors of a newspaper. If they are not equally good, that is another matter, and there are some places where that is the case. I must say, speaking for my personal preference, that the newspaper chosen would be the last newspaper to which I would have granted a licence in Toronto, or practically anywhere else, but that is a matter of bias, sir.

Mr. Nowlan: The Toronto *Star* would be slightly ahead of it, I suppose?

Mr. Pickersgill: Or even the *Globe and Mail*, Mr. Speaker, even the *Globe and Mail*. I just do not happen to like the Toronto *Telegram* and I have the impression that they reciprocate my feeling, but that again is a little beyond the vague terms of this motion.

As I say, the second matter for discussion should be the principles on which these exclusive licences—because that is what they are, licences of bits of the public domain; that is what the privy council said this was

—are given to one person rather than another person, and I use the word "person" in the legal sense. This is a matter of the greatest possible moment and one about which I think parliament properly should be concerned.

The third matter to which I feel the committee should direct its attention is the problem of the financing of the C.B.C. My views on this subject and the views of my friends in the house are well known. We take the position that the Fowler commission and all preceding royal commissions on this matter were right when they said that the financing of public broadcasting should not be dependent upon the whim of the government or based upon annual votes by parliament for the reason I have stated many times before in this house but which cannot be stated too often, that the moment an agency has to come to the treasury board and argue its case it becomes a creature not of parliament but of the government no matter how many safeguards of theoretical independence are put into the legislation.

In those circumstances human nature being what it is there will be an inevitable tendency—it may be repressed by persons of very high character but it should not be necessary to have it repressed—to lick the boots of the Minister of Finance (Mr. Fleming) and of other members of the government in the hope of getting a little more largesse.

My view is that public broadcasting, like the courts, should be guaranteed its income by parliament in such a fashion that there is no incentive whatsoever to this kind of action. As the Fowler commission said, there should be some formula—and there are many formulae that might be used—for a period of years, at least sufficient to be slightly longer than the life of any one parliament, during which the revenues are fixed.

Mr. Speaker: The subject which the hon. member is now debating is really not the issue of the motion, and if he pursues it, of course, then other members will be entitled to debate the whole issue of how the C.B.C. should be financed. I take the view, rightly or wrongly, that the motion is to set up the committee and is not a review of the whole of the matters to be referred to the committee. It is simply a request to the house, and it is for the house to decide whether a committee is or is not desirable at this time, and that is a relatively narrow field of debate.

Mr. Pickersgill: I must say that with a restraint which I do not often exercise, I listened in silence to rulings this afternoon which I must say startled me very much, sir, if I may say so with the greatest possible respect, because I have been observing the proceedings of this house since the year 1937, and I have seen debates on the setting up of committees go on for days and days, and I have never before heard it suggested that all we should consider is whether or not is is expedient to have a committee at all.

[Mr. Pickersgill.]

I know that one can go back into the rules, particularly the rules at Westminster, as was the case, of course, in another similar matter in another debate to which I cannot refer as a precedent. But a wholly different practice, I think, has been consecrated in this house, perhaps wrongly. It may be one of those wrongs that is consecrated, surely, by so much modern usage and by so many accretions of custom that I think it would be quite restrictive of what are deemed, and what have come to be regarded as the rights of parliament, to suggest that the matters which are going to come before the committee should not have, I do not say extended debate, but some consideration on such motions.

And I might add, sir, in this particular case there seems to be the additional circumstance that there is no specification of what the matters are that are to come before this committee, and I am appealing to the minister to put a list of those matters in. I was seeking to justify the importance of putting this particular question in and also seeking to establish certain priorities in the order of these matters. However, I think I have sufficiently made my point with respect to this matter of financing. To me, the financing—

Mr. Speaker: Order. Before the hon. member goes on may I say I appreciate the force of what he says. I have taken the position I have taken with full cognizance of precedents to the contrary. I know that a motion to set up a committee has been used deliberately by the house as a vehicle for debate on external affairs for example but that, of course, is by consent. I think many times the house has debated the substance of a matter to be referred to a committee more by consent than because of its relevance. Having taken that view and realizing the difficulties, I would not feel at all embarrassed, in fact, it might settle the practice if an issue were made of it and the house made its own decision. However, I do not think we have reached that point.

Mr. Nowlan: On the point of order, Mr. Speaker, I can agree with both points of view which have been advanced. I think you are perfectly right in your interpretation of the

rule. I know the hon. member for Bonavista-Twillingate can give sanctions of usage which have gone a long way to deprecate the importance of the rule. I would say with deference that I think the hon. member is within your interpretation of the rule up to the moment because as I understand it this is a motion to set up a committee, and he has been simply specifying and urging on Your Honour various matters which he thinks the committee should deal with without debating them. Perhaps he was starting to debate the relative matter of financing.

So long as the hon. member confines himself to specifying matters which he hopes, believes or thinks the committee should deal with I would suggest that within that limit he is within the rule. Certainly, if he goes further and starts to debate the matter of whether one should get a television licence or a broadcasting licence in this area, or some other area, which has been done before, I think he would be going beyond the rule. I would suggest the hon. member has been within the rules so far.

Mr. Speaker: I would agree with that. I take the opportunity of rising again because I think this is a matter of some consequence. It does arise from time to time. I do not want to be running counter to the wishes of the house or to be unduly restrictive. The point of view I took would permit reference to the various matters. It seems to me to be unreasonable for the house to spell out in detail all the issues which are to be referred to the committee for the purpose of saving the time of the house. We might just as well have the debate at the beginning and dispense with the committee altogether.

Mr. Pickersgill: If I may say so with deference, I cannot agree with the last view because we cannot deal with witnesses here and that is one of the most important functions of a committee. But I would not like to see the sense of the house taken without more debate and discussion. This is a very important point. If I may advert to something which came up earlier this afternoon. We had a motion to set up a committee to consider with Your Honour the rules of the house, and I would suggest that this might very usefully be considered by that committee; but that, in the meantime, we should be jealous not merely of the rules that are in the rule book at Westminster, or even the ancient precedents of this house, but that we should respect some of the modern precedents as well.

I remember on one occasion, sir, if I may just add this reminiscence, one of the best debates that ever took place in the house in which Mr. Drew, then leader of the opposition, and the hon. member for Laurier (Mr. Chevrier), who was then minister of transport, participated and in which the whole broadcasting policy of the government was debated, if my recollection is right, for nearly two days, on a motion similar to this, without any question of consent having arisen. I do not offer this as a menace, sir, or even as an incentive; I merely recall it.

As I was saying, I do believe that this whole problem of financing does need consideration for the reason I have given and also for another reason which I intend to give without elaborating. I think that the cost of broadcasting—I know you can work it out at so many cents per head per day and it does not sound very much—to the treasury is a matter which must give even the reckless Minister of Finance we have at present some concern from time to time. This is another reason why I think this committee should give the most careful consideration to this matter.

There is another matter to which I think very careful consideration should be given. I refer to the question of the commercial policy of the public broadcasting system. In that regard, one of the reasons why the Aird commission recommended public broadcasting in the first place, and why every committee of the house and every commission that has ever considered the matter has recommended its continuation, was for the maintenance of a Canadian identity. I may say that I fully subscribe to that view and I have, I think, in my private life and in my public life, always been a supporter of public broadcasting for that reason and for that reason only because I do recognize the dangers of public broadcasting as they were manifest in some parts of Europe 25 years ago when some of us were rather younger than we are now and as they still exist today in many totalitarian countries. This is potentially a very dangerous instrument in the hands of an unscrupulous government and it needs to be safeguarded in every possible way against control by the government, as opposed to control by parliament itself in which people are freely elected whether or not the people who elect them like the government.

I say, sir, that this commercial policy is something which I think should be considered very carefully for this reason. Every morning I turn on station CBO just before I get up because I want to find out what the temperature is and some other things of that sort and then listen to the news. One thing that has been dinned into my mind in the last few weeks is that the most important message CBO has for us every morning is

that we should buy the *Saturday Evening Post* and *McCall's* magazines. I do not see how you could be more ridiculous than that.

Mr. Nowlan: That is at 7.30. At five minutes to eight you find out where you should have your shirts laundered.

Mr. Pickersgill: Here is this public agency spending millions of public money to preserve our Canadian identity while this same agency, which is supposed to be doing that, is doing business with people, among all the thousands of potential advertisers, who are trying to sell magazines not produced in this country, this at a time when the government is trying to undo an error it made a year or two ago by setting up a commission under a very distinguished and loquacious journalist to inquire into means of keeping Canadian magazine and periodicals alive. It does seem to me that as a mere matter of good taste and good judgment the management of the C.B.C. has erred very sadly in this particular case.

I know, and nobody has said it oftener than I, that we in this parliament should not substitute ourselves for the management of the C.B.C. and I do not intend to do so. But I have also said, when on the treasury benches, and I say now that I see no reason why because we are members of parliament we should not feel free to criticize the C.B.C. I say that applies to those who sit on the treasury benches. I do not take the narrow view that was taken by the hon. member for Eglinton and one or two gentlemen when they sat on this side of the house that a minister must never speak to anybody connected with the management of the C.B.C. I think that is utter nonsense. I do not think being a minister deprives one of one's rights as a citizen.

For a minister to bring pressure to bear on them is one thing but a minister should be just as free as anyone else to express an opinion and to criticize and the C.B.C. should be so independent that the minister's freedom will not in any way influence them in any improper sense. That is the ideal and I admit it is a very difficult ideal to achieve. It is an ideal toward which all of us in this house should strive, and it seems to me that is a vital and important thing.

As I have said so often, it is almost more important in the modern world but certainly just as important today to preserve the independence of public broadcasting from pressure by the executive as it is to preserve the independence of the judiciary from pressure by the executive. They should be on the same basis. We should be sure that this pervasive influence, broadcasting, much more pervasive than the press though less lasting, will not become an engine of potential tyranny, however brief and however transitory that might be. Therefore I think it is most important that at all these points where this potential danger arises we should, as a committee, try to put partisanship aside and consider this matter from the point of view of the preservation of our free institutions. Quite frankly, if we lived a thousand miles from any other country, if Canada were an island with 18 million people on it, I am not so sure, taking everything into account, that I would feel that public broadcasting was necessary at all.

I do think, considering the situation we have in Canada, that we have achieved a pretty good compromise between public and private broadcasting, but it is a compromise and the boundary line is and always will be, I think, a somewhat fluctuating one. I do not think it can be a hard and fast line. In that context I think it is desirable that the committee should give consideration to the continuing place of private broadcasting in the whole national structure of broadcasting. In this context I should simply like to affirm again the view that, after three years' experience and notwithstanding the many criticisms I would make of the board of broadcast governors as at present constituted, I do think that the Fowler proposal that there should be a board of broadcast governors was a sound proposal that should be continued.

But, and here again this is another matter that I think the committee should consider, I think the committee should give very careful consideration, which of course would be done if my first suggestion that the act should be the first matter to be considered by the committee were carried out, to carrying out the Fowler recommendations in their entirety in this respect and bringing the C.B.C. as well as the private stations under the jurisdiction of the board of broadcast governors, thus removing that direct nexus which now exists between the management of the C.B.C. and the government, which did not exist under the old regime and which to my mind is entirely undesirable even if everybody behaves in the most proper manner possible. It seems to me that the insulation provided by the old board of the C.B.C. or the insulation of a board of broadcast governors between the government and the management of the C.B.C. was in the past a sound principle and should be restored. However, again I am expressing a view upon a matter which I think deserves further scrutiny by this committee.

Notwithstanding the fact that I feel I should perhaps go on speaking merely to

assert my right to debate these matters, I really feel I have said all that in principle I wanted to say. I shall now conclude by reiterating my appeal to the minister to have one of his colleagues move an amendment to this motion to define the matters herein referred to and, in particular, to give priority to a clause by clause examination of the act which is now in its third year of operation. It seems to me this would be the most appropriate function of that committee even if there had been no undertaking in that regard, but in view of the undertaking I believe it should be carried out.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I want to seize this opportunity of commending the government for proposing to set up a special committee on broadcasting, and I should like also to offer some suggestions to the committee which will be entrusted with the study of business of the C.B.C.

I wonder whether it would not be a good thing for all crown corporations, including the C.B.C., to be under a single department.

Nobody is shocked by the fact that immigration employees are placed under the authority of the Department of Citizenship and Immigration or postal employees under the Postmaster General. Why should they be shocked at a single minister being responsible for the C.B.C., the national film board, and other crown corporations? The question may well be asked. It is too easily avoided on the ground that crown corporations should be free from political interference.

We are living under a democratic system of responsible government and it seems to me that the representatives of the people are entitled to know down to the last detail what is happening within the crown corporations. Indeed, all crown agencies should always be directly responsible to parliament.

To imply, as some have done, that doing so would put the C.B.C. under political control is simply ridiculous. To my mind, it is a question of knowing whether parliament or the C.B.C. will have the last word with regard to the way part of the taxpayers' money is to be spent so that the corporation might avoid bankruptcy.

Moreover, there would be, to my mind, some urgency in this committee considering a recommendation with regard to a committee of experts. Such a body might consist of parents, educators and members of the clergy, who would act as moderators of the C.B.C. programs.

A great number of complaints have been made with regard to the field of ethics. On January 16 last, *La Presse* published an open letter over the signature of Rev. Father Ubald Villeneuve, O.M.I. and addressed to Mrs. Nicole Germain, of the C.B.C., in which he upbraided her about a television program having to do with liquor.

I also point out to the future committee and remind the house that in 1959, as reported in *La Presse* of September 28, 1959, his Eminence Cardinal Leger stated:

> Broadcasting facilities must serve the cause of truth, good and beauty.
>
> The Church considers broadcasting techniques as precious gifts from God but points out that they have a mission to accomplish: namely to serve the cause of truth, good and beauty.

I also ask the C.B.C. authorities to purge their programs a little and to be extremely cautious in their selection of films and programs shown on television in order that they do not tend to destroy the family but rather to bring its members closer together.

Among the resolutions passed in July 1959 during the radio and television fans congress held at the University of Montreal under the auspices of the Federation of Holy Name societies, there is one that should be singled out. It reads as follows:

> T.V. station operators should take great care to avoid broadcasting programs that might be harmful to children during hours when children have not yet gone to bed.

I have here also a resolution adopted by the Quebec council of the Knights of Columbus, requesting that the C.B.C.'s attention be called to certain T.V. programs that take no heed of moral law.

Furthermore, I ask the committee that will be established to consider whether it is true, as was asserted by the authors and artists, according to *Le Devoir* for Saturday, December 10, 1960, that:

> The C.B.C. is unilingual at top level and does not care two hoots about its French speaking employees.

It would be worth while, I think, to go carefully into this matter.

I am also speaking on behalf of the Société St. Jean Baptiste which takes a firm stand against certain T.V. programs that do not respect the French language, programs which are broadcast mostly on the French network. Let me mention four of them: "Un homme et son péché", "En haut de la pente douce", "Jamboree" and "Cent farces".

In addition, the Societe St. Jean Baptiste of the diocese of Sherbrooke protests on the

ground that the language used by the writers is not only disrespectful but offends the French language.

I also urge the committee that will be established to ask the C.B.C. to consider the possibility of extending its broadcasts to countries of the French community in Africa. A headline in the newspaper *La Presse* said: "C.B.C. reaches out to Africa". Therefore, it is important that broadcasts be relayed not only to commonwealth countries but also to countries of the French community in Africa.

I also urge the committee and C.B.C. authorities to extend French television coverage to Saskatchewan.

I also urge the members of the committee to call before them Mr. Rene Levesque who, some time ago, charged the C.B.C. with discrimination against the Liberals. I was quite surprised at Mr. Levesque's stand since for many years this man made a living out of the C.B.C. He reminds me of the fable—and he should read it—of "The Woodman and the Snake". In view of the unfair criticism he has made, it would certainly be proper that Mr. Levesque be called before the committee which is to be formed.

Mr. Ouimet said—

(Text):

Mr. Pickersgill: I am rising on a point of order, Mr. Speaker, I think there is a well known rule of this house, quite often honoured in the breach, that attacks are not made in this house on provincial ministers and members of provincial governments. I suggest the hon. member is transgressing this rule.

The Acting Speaker (Mr. Rea): The remarks of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) must be relevant to the resolution before us. I have not been in the chair this afternoon during the discussion of these motions, but I thought we were discussing the appointment of committees. No doubt an hon. member can make suggestions concerning what should come before a committee, but I would not think he would be right in discussing the matter that might come before the committee. He might suggest certain things should come before the committee, but not discuss them fully.

(Translation):

Mr. Pigeon: Mr. Speaker, I repeat the same suggestion. I strongly recommend to the special committee which is to be set up to summon Mr. Rene Levesque in order to study the unfair attacks he has launched against the C.B.C. That man is biting the hand that fed him.

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): On a point of order, Mr. Speaker. It is not proper to get into provincial politics while we are discussing a motion to appoint a committee for the study of the C.B.C. situation. I therefore ask the hon. member for Joliette-L'Assomption-Montcalm to be a realist just for once and to forget about his ties with the Union Nationale.

Mr. Pigeon: Mr. Speaker, as usual, the hon. member for St. Jean-Iberville-Napierville is screaming, roaring and groaning. One can only give what one has. In any case, the hon. member was out of order and I would suggest that he read the editorial recently published in the paper *Le Devoir* and entitled: "Once a drunkard, always a drunkard!" Thus he would have a good idea of what the Liberal convention was and about the attitude of the hon. member for Laurier (Mr. Chevrier).

Mr. Dupuis: Mr. Speaker, I again rise on a point of order. I would ask the hon. member for Joliette-L'Assomption-Montcalm to stick to the matter under discussion. For my part I surely have no intention of following him on this ground. There are rules governing this house and members of the Union Nationale should comply with them like everybody else.

Mr. Fortin: That is why you were expelled from the house.

(Text):

Mr. Dupuis: Mr. Speaker, the hon. member for Montmagny-L'Islet (Mr. Fortin) just said that I was thrown out of the legislative assembly of Quebec. I say in this house that I have never been expelled from the legislative assembly of Quebec and I should like the hon. member for Montmagny-L'Islet to withdraw his declaration.

The Acting Speaker (Mr. Rea): If the hon. member for St. Jean-Iberville-Napierville has denied it, then of course the hon. member who made the original remark will be obliged to accept his word.

(Translation):

Mr. Fortin: Mr. Speaker, in withdrawing my words, as I evidently do since I accept the hon. member's statement, I would add that the Speaker of the Quebec legislature has been extremely patient.

(Translation):

Mr. Dupuis: Mr. Speaker, I ask the hon. member to withdraw his words unconditionally.

Some hon. Members: Order. Order.

Mr. Pigeon: I feel that the statement made by Mr. Levesque is dangerous and casts aspersions on C.B.C.

(Text):

The Acting Speaker (Mr. Rea): That matter having been cleared up, I take it that we can now get back to the motion that is before the house. Has the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) concluded his remarks?

(Translation):

Mr. Pigeon: Mr. Speaker, I am only making a suggestion. If the matter is considered by the committee, the committee will decide and it may summon as a witness that person who is so ungrateful to a crown corporation which was so good as to give him the opportunity of making a living.

Some hon. Members: Order.

Mr. Pigeon: Mr. Speaker, I am wondering who is in the chair, whether you are or whether the hon. member for St. Jean-Iberville-Napierville is. He reminds me of the member for Laurier who often shouts, shut up, sit down, as if the Liberals were still in office.

Some hon. Members: Order.

Mr. Pigeon: I had some remarks for the new committee that will be established and I again ask the committee to consider my suggestions and to summon this person—

Some hon. Members: Order.

(Text):

The Acting Speaker (Mr. Rea): Order. I have already reminded the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) that we were not to go into a full discussion of matters that may be brought before the committee.

(Translation):

Mr. Pigeon: I am making this suggestion so that the committee may find it advisable to summon him.

Some hon. Members: Order.

Mr. Pigeon: This man who is launching an attack detrimental to the C.B.C.—

Mr. Habel: You are the one who is damaging its reputation.

Mr. Dupuis: This is really pathetic.

(Text):

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I find myself in a position somewhat similar to that of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) in that, after reading the resolution which is now before us, I could not quite figure out exactly what was being referred to the committee. I was therefore forced to come to the conclusion that the present wording could only mean that all matters which apply to radio and to television broadcasting are being referred to the committee.

I am not going into any lengthy statement on the many broad principles of radio and television. I am not going to speak on the many important questions that should be considered by the committee because others will do so. However, because I am not and will not be a member of that committee I want to draw to the attention of the house one subject which I sincerely hope will be considered by the committee. I feel that it is of the utmost importance. I refer to the interpretation which is being placed by the board of broadcast governors on the section of the regulations that deals with what are known as controversial broadcasts. The interpretation that is now being placed on that matter is of such a nature that, before I am through, I shall have proved that it is in the process of wrecking some of the finest broadcasts in Canada, one of which has been on the air for some 17 years.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire of the acting house leader what the business will be on Friday? I take it that tomorrow will be private members' day.

Mr. Nowlan: Tomorrow will be private members' day. On Friday we are proceeding with the budget debate. Under the rules this will necessitate a division on Friday afternoon.

Mr. Chevrier: Can the acting house leader tell us what the business will be on Monday and next week?

Mr. Nowlan: Monday, I believe, is private members' day again. Beyond that I cannot go. I will be able to give it tomorrow but I could not give it tonight.

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

APPENDIX A

TREATY BETWEEN CANADA AND THE UNITED STATES OF AMERICA RELATING TO CO-OPERATIVE DEVELOPMENT OF THE WATER RESOURCES OF THE COLUMBIA RIVER BASIN

The governments of Canada and the United States of America

Recognizing that their peoples have, for many generations, lived together and co-operated with one another in many aspects of their national enterprises for the greater wealth and happiness of their respective nations, and

Recognizing that the Columbia river basin, as a part of the territory of both countries, contains water resources that are capable of contributing greatly to the economic growth and strength and to the general welfare of the two nations, and

Being desirous of achieving the development of those resources in a manner that will make the largest contribution to the economic progress of both countries and to the welfare of their peoples of which those resources are capable, and

Recognizing that the greatest benefit to each country can be secured by co-operative measures for hydroelectric power generation and flood control, which will make possible other benefits as well,

Have agreed as follows:

ARTICLE I

Interpretation

(1) In the treaty, the expression

(a) "average critical period load factor" means the average of the monthly load factors during the critical stream flow period;

(b) "base system" means the plants, works and facilities listed in the table in annex B as enlarged from time to time by the installation of additional generating facilities, together with any other plants, works or facilities which may be constructed on the main stem of the Columbia river in the United States of America;

(c) "Canadian storage" means the storage provided by Canada under article II;

(d) "critical stream flow period" means the period, beginning with the initial release of stored water from full reservoir conditions and ending with the reservoirs empty, when the water available from reservoir releases plus the natural stream flow is capable of producing the least amount of hydroelectric power in meeting system load requirements;

(e) "consumptive use" means use of water for domestic, municipal, stock-water, irrigation, mining or industrial purposes but does not include use for the generation of hydroelectric power;

(f) "dam" means a structure to impound water, including facilities for controlling the release of the impounded water;

(g) "entity" means an entity designated by either Canada or the United States of America under article XIV and includes its lawful successor;

(h) "international joint commission" means the commission established under article VII of the boundary waters treaty, 1909, or any body designated by the United States of America and Canada to succeed to the functions of the commission under this treaty;

(i) "maintenance curtailment" means an interruption or curtailment which the entity responsible therefor considers necessary for purposes of repairs, replacements, installations of equipment, performance of other maintenance work, investigations and inspections;

(j) "monthly load factor" means the ratio of the average load for a month to the integrated maximum load over one hour during that month;

(k) "normal full pool elevation" means the elevation to which water is stored in a reservoir by deliberate impoundment every year, subject to the availability of sufficient flow;

(l) "ratification date" means the day on which the instruments of ratification of the treaty are exchanged;

(m) "storage" means the space in a reservoir which is usable for impounding water for flood control or for regulating stream flows for hydroelectric power generation;

(n) "Treaty" means this treaty and its annexes A and B;

(o) "useful life" means the time between the date of commencement of operation of a dam or facility and the date of its permanent retirement from service by reason of obsolescence or wear and tear which occurs notwithstanding good maintenance practices.

(2) The exercise of any power, or the performance of any duty, under the treaty does not preclude a subsequent exercise or performance of the power or duty.

ARTICLE II

Development by Canada

(1) Canada shall provide in the Columbia river basin in Canada 15,500,000 acre-feet of storage usable for improving the flow of the Columbia river.

(2) In order to provide this storage, which in the treaty is referred to as the Canadian storage, Canada shall construct dams:

(a) on the Columbia river near Mica creek, British Columbia, with approximately 7,000,000 acre-feet of storage;

(b) near the outlet of Arrow lakes, British Columbia, with approximately 7,100,000 acre-feet of storage; and

(c) on one or more tributaries of the Kootenay river in British Columbia downstream from the Canada-United States of America boundary with storage equivalent in effect to approximately 1,400,000 acre-feet of storage near Duncan lake, British Columbia.

(3) Canada shall commence construction of the dams as soon as possible after the ratification date.

ARTICLE III

Development by the United States of America Respecting Power

(1) The United States of America shall maintain and operate the hydroelectric facilities included in the base system and any additional hydroelectric facilities constructed on the main stem of the Columbia river in the United States of America in a manner that makes the most effective use of the improvement in stream flow resulting from operation of the Canadian storage for hydroelectric power generation in the United States of America power system.

(2) The obligation in paragraph (1) is discharged by reflecting in the determination of downstream power benefits to which Canada is entitled the assumption that the facilities referred to in paragraph (1) were maintained and operated in accordance therewith.

ARTICLE IV

Operation by Canada

(1) For the purpose of increasing hydroelectric power generation in Canada and the United States of America, Canada shall operate the Canadian storage in accordance with annex A and pursuant to hydroelectric operating plans made thereunder. For the purposes of this obligation an operating plan if it is either the first operating plan or if in the view of either Canada or the United States of America it departs substantially from the immediately preceding operating plan must, in order to be effective, be confirmed by an exchange of notes between Canada and the United States of America.

(2) For the purpose of flood control until the expiration of 60 years from the ratification date, Canada shall

(a) operate in accordance with annex A and pursuant to flood control operating plans made thereunder

(i) 80,000 acre-feet of the Canadian storage described in article II(2) (a),

(ii) 7,100,000 acre-feet of the Canadian storage described in article II(2) (b),

(iii) 1,270,000 acre-feet of the Canadian storage described in article II (2) (c).

provided that the Canadian entity may exchange flood control storage under subparagraph (ii) for flood control storage additional to that under subparagraph (i), at the location described in article II(2)(a), if the entities agree that the exchange would provide the same effectiveness for control of floods on the Columbia river at The Dalles, Oregon;

(b) operate any additional storage in the Columbia river basin in Canada, when called upon by an entity designated by the United States of America for that purpose, within the limits of existing facilities and as the entity requires to meet flood control needs for the duration of the flood period for which the call is made.

(3) For the purpose of flood control after the expiration of 60 years from the ratification date, and for so long as the flows in the Columbia river in Canada continue to contribute to potential flood hazard in the United States of America, Canada shall, when called upon by an entity designated by the United States of America for that purpose, operate within the limits of existing facilities any storage in the Columbia river basin in Canada as the entity requires to meet flood control needs for the duration of the flood period for which the call is made.

(4) The return to Canada for hydroelectric operation and the compensation to Canada for flood control operation shall be as set out in articles V and VI.

(5) Any water resource development, in addition to the Canadian storage, constructed in Canada after the ratification date shall not be operated in a way that adversely affects the stream flow control in the Columbia river within Canada so as to reduce the flood control and hydroelectric power benefits which the operation of the Canadian storage in accordance with the operating plans in force from time to time would otherwise produce.

(6) As soon as any Canadian storage becomes operable Canada shall commence operation thereof in accordance with this

article and in any event shall commence full operation of the Canadian storage described in article II(2)(b) and article II(2)(c) within five years of the ratification date and shall commence full operation of the balance of the Canadian storage within nine years of the ratification date.

ARTICLE V

Entitlement to Downstream Power Benefits

(1) Canada is entitled to one half the downstream power benefits determined under article VII.

(2) The United States of America shall deliver to Canada at a point on the Canada-United States of America boundary near Oliver, British Columbia, or at such other place as the entities may agree upon, the downstream power benefits to which Canada is entitled, less

(a) transmission loss,

(b) the portion of the entitlement disposed of under article VIII(1), and

(c) the energy component described in article VIII(4).

(3) The entitlement of Canada to downstream power benefits begins for any portion of Canadian storage upon commencement of its operation in accordance with annex A and pursuant to a hydroelectric operating plan made thereunder.

ARTICLE VI

Payment for Flood Control

(1) For the flood control provided by Canada under article IV(2)(a) the United States of America shall pay Canada in United States funds:

(a) 1,200,000 dollars upon the commencement of operation of the storage referred to in subparagraph (a)(i) thereof,

(b) 52,100,000 dollars upon the commencement of operation of the storage referred to in subparagraph (a)(ii) thereof, and

(c) 11,100,000 dollars upon the commencement of operation of the storage referred to in subparagraph (a)(iii) thereof.

(2) If full operation of any storage is not commenced within the time specified in article IV, the amount set forth in paragraph (1) of this article with respect to that storage shall be reduced as follows:

(a) under paragraph (1)(a), 4,500 dollars for each month beyond the required time.

(b) under paragraph (1)(b), 192,100 dollars for each month beyond the required time, and

(c) under paragraph (1)(c), 40,800 dollars for each month beyond the required time.

(3) For the flood control provided by Canada under article IV(2)(b) the United States of America shall pay Canada in United States funds in respect only of each of the first four flood periods for which a call is made 1,875,000 dollars and shall deliver to Canada in respect of each and every call made, electric power equal to the hydroelectric power lost by Canada as a result of operating the storage to meet the flood control need for which the call was made, delivery to be made when the loss of hydroelectric power occurs.

(4) For each flood period for which flood control is provided by Canada under article IV(3) the United States of America shall pay Canada in United States funds:

(a) the operating cost incurred by Canada in providing the flood control, and

(b) compensation for the economic loss to Canada arising directly from Canada foregoing alternative uses of the storage used to provide the flood control.

(5) Canada may elect to receive in electric power, the whole or any portion of the compensation under paragraph (4)(b) representing loss of hydroelectric power to Canada.

ARTICLE VII

Determination of Downstream Power Benefits

(1) The downstream power benefits shall be the difference in the hydroelectric power capable of being generated in the United States of America with and without the use of Canadian storage, determined in advance, and is referred to in the treaty as the downstream power benefits.

(2) For the purpose of determining the downstream power benefits:

(a) the principles and procedures set out in annex B shall be used and followed;

(b) the Canadian storage shall be considered as next added to 13,000,000 acre-feet of the usable storage listed in column 4 of the table in annex B;

(c) the hydroelectric facilities included in the base system shall be considered as being operated to make the most effective use for hydroelectric power generation of the improvement in stream flow resulting from operation of the Canadian storage.

(3) The downstream power benefits to which Canada is entitled shall be delivered as follows:

(a) dependable hydroelectric capacity as scheduled by the Canadian entity, and

(b) average annual usable hydroelectric energy in equal amounts each month, or in accordance with a modification agreed upon under paragraph (4).

(4) Modification of the obligation in paragraph (3)(b) may be agreed upon by the entities.

ARTICLE VIII

Disposal of Entitlement to Downstream Power Benefits

(1) With the authorization of Canada and the United States of America evidenced by exchange of notes, portions of the downstream power benefits to which Canada is entitled may be disposed of within the United States of America. The respective general conditions and limits within which the entities may arrange initial disposals shall be set out in an exchange of notes to be made as soon as possible after the ratification date.

(2) The entities may arrange and carry out exchanges of dependable hydroelectric capacity and average annual usable hydroelectric energy to which Canada is entitled for average annual usable hydroelectric energy and dependable hydroelectric capacity respectively.

(3) Energy to which Canada is entitled may not be used in the United States of America except in accordance with paragraphs (1) and (2).

(4) The by-passing at dams on the main stem of the Columbia river in the United States of America of an amount of water which could produce usable energy equal to the energy component of the downstream power benefits to which Canada is entitled but not delivered to Canada under article V or disposed of in accordance with paragraphs (1) and (2) at the time the energy component was not so delivered or disposed of, is conclusive evidence that such energy component was not used in the United States of America and that the entitlement of Canada to such energy component is satisfied.

ARTICLE IX

Variation of Entitlement to Downstream Power Benefits

(1) If the United States of America considers with respect to any hydroelectric power project planned on the main stem of the Columbia river between Priest Rapids dam and McNary dam that the increase in entitlement of Canada to downstream power benefits resulting from the operation of the project would produce a result which would not justify the United States of America in incurring the costs of construction and operation of the project, Canada and the United States of America at the request of the United States of America shall consider modification of the increase in entitlement.

(2) An agreement reached for the purposes of this article shall be evidenced by an exchange of notes.

ARTICLE X

East-West Stand-by Transmission

(1) The United States of America shall provide in accordance with good engineering practice east-west stand-by transmission service adequate to safeguard the transmission from Oliver, British Columbia, to Vancouver, British Columbia, of the downstream power benefits to which Canada is entitled and to improve system stability of the east-west circuits in British Columbia.

(2) In consideration of the stand-by transmission service, Canada shall pay the United States of America in Canadian funds the equivalent of 1.50 United States dollars a year for each kilowatt of dependable hydroelectric capacity included in the downstream power benefits to which Canada is entitled.

(3) When a mutually satisfactory electrical co-ordination arrangement is entered into between the entities and confirmed by exchange of notes between Canada and the United States of America the obligation of Canada in paragraph (2) ceases.

ARTICLE XI

Use of Improved Stream Flow

(1) Improvement in stream flow in one country brought about by operation of storage constructed under the treaty in the other country shall not be used directly or indirectly for hydroelectric power purposes except:

(a) In the case of use within the United States of America with the prior approval of the United States entity, and

(b) in the case of use within Canada with the prior approval of the authority in Canada having jurisdiction.

(2) The approval required by this article shall not be given except upon such conditions, consistent with the treaty, as the entity or authority considers appropriate.

ARTICLE XII

Kootenay River Development

(1) The United States of America for a period of five years from the ratification date, has the option to commence construction of a dam on the Kootenay river near Libby, Montana, to provide storage to meet flood control and other purposes in the United States of America. The storage reservoir of the dam shall not raise the level of the Kootenay river at the Canada-United States of America boundary above an elevation consistent with a normal full pool elevation at the dam of 2,459 feet, United States coast

and geodetic survey datum, 1929 general adjustment, 1947 international supplemental adjustment.

(2) All benefits which occur in either country from the construction and operation of the storage accrue to the country in which the benefits occur.

(3) The United States of America shall exercise its option by written notice to Canada and shall submit with the notice a schedule of construction which shall include provision for commencement of construction, whether by way of railroad relocation work or otherwise, within five years of the ratification date.

(4) If the United States of America exercises its option, Canada in consideration of the benefits accruing to it under paragraph (2) shall prepare and make available for flooding the land in Canada necessary for the storage reservoir of the dam within a period consistent with the construction schedule.

(5) If a variation in the operation of the storage is considered by Canada to be of advantage to it the United States of America shall, upon request, consult with Canada. If the United States of America determines that the variation would not be to its disadvantage it shall vary the operation accordingly.

(6) The operation of the storage by the United States of America shall be consistent with any order of approval which may be in force from time to time relating to the levels of Kootenay lake made by the international joint commission under the boundary waters treaty, 1909.

(7) Any obligation of Canada under this article ceases if the United States of America, having exercised the option, does not commence construction of the dam in accordance with the construction schedule.

(8) If the United States of America exercises the option it shall commence full operation of the storage within seven years of the date fixed in the construction schedule for commencement of construction.

(9) If Canada considers that any portion of the land referred to in paragraph (4) is no longer needed for the purpose of this article Canada and the United States of America, at the request of Canada, shall consider modification of the obligation of Canada in paragraph (4).

(10) If the treaty is terminated before the end of the useful life of the dam Canada shall for the remainder of the useful life of the dam continue to make available for the storage reservoir of the dam any portion of the land made available under paragraph (4) that is not required by Canada for purposes of diversion of the Kootenay river under article XIII.

ARTICLE XIII

Diversions

(1) Except as provided in this article neither Canada nor the United States of America shall, without the consent of the other evidenced by an exchange of notes, divert for any use, other than a consumptive use, any water from its natural channel in a way that alters the flow of any water as it crosses the Canada-United States of America boundary within the Columbia river basin.

(2) Canada has the right, after the expiration of 20 years from the ratification date, to divert not more than 1,500,000 acre-feet of water a year from the Kootenay river in the vicinity of Canal Flats, British Columbia, to the headwaters of the Columbia river, provided that the diversion does not reduce the flow of the Kootenay river immediately downstream from the point of diversion below the lesser of 200 cubic feet per second or the natural flow.

(3) Canada has the right, exercisable at any time during the period commencing sixty years after the ratification date and expiring 100 years after the ratification date, to divert to the headwaters of the Columbia river any water which, in its natural channel, would flow in the Kootenay river across the Canada-United States of America boundary, provided that the diversion does not reduce the flow of the Kootenay river at the Canada-United States of America boundary near Newgate, British Columbia, below the lesser of 2500 cubic feet per second or the natural flow.

(4) During the last 20 years of the period within which Canada may exercise the right to divert described in paragraph (3) the limitation on diversion is the lesser of 1000 cubic feet per second or the natural flow.

(5) Canada has the right:

(a) if the United States of America does not exercise the option in article XII(1), or

(b) if it is determined that the United States of America, having exercised the option, did not commence construction of the dam referred to in article XII in accordance therewith or that the United States of America is in breach of the obligation in that article to commence full operation of the storage, to divert to the headwaters of the Columbia river any water which, in its natural channel, would flow in the Kootenay river across the Canada-United States of America boundary, provided that the diversion does not reduce the flow of the Kootenay river at the Canada-United States of America

boundary near Newgate, British Columbia, below the lesser of 1000 cubic feet per second or the natural flow.

(6) If a variation in the use of the water diverted under paragraph (2) is considered by the United States of America to be of advantage to it Canada shall, upon request, consult with the United States of America. If Canada determines that the variation would not be to its disadvantage it shall vary the use accordingly.

ARTICLE XIV

Arrangements for Implementation

(1) Canada and the United States of America shall each, as soon as possible after the ratification date, designate entities and when so designated the entities are empowered and charged with the duty to formulate and carry out the operating arrangements necessary to implement the treaty. Either Canada or the United States of America may designate one or more entities. If more than one is designated the powers and duties conferred upon the entities by the treaty shall be allocated among them in the designation.

(2) In addition to the powers and duties dealt with specifically elsewhere in the treaty the powers and duties of the entities include:

(a) co-ordination of plans and exchange of information relating to facilities to be used in producing and obtaining the benefits contemplated by the treaty,

(b) calculation of and arrangements for delivery of hydroelectric power to which Canada is entitled for providing flood control,

(c) calculation of the amounts payable to the United States of America for stand-by transmission services,

(d) consultation on requests for variations made pursuant to articles XII (5) and XIII (6),

(e) the establishment and operation of a hydrometeorological system as required by annex A,

(f) assisting and co-operating with the permanent engineering board in the discharge of its functions,

(g) periodic calculation of accounts,

(h) preparation of the hydroelectric operating plans and the flood control operating plans for the Canadian storage together with determination of the downstream power benefits to which Canada is entitled,

(i) preparation of proposals to implement article VIII and carrying out any disposal authorized or exchange provided for therein,

(j) making appropriate arrangements for delivery to Canada of the downstream power benefits to which Canada is entitled including such matters as load factors for delivery, times and points of delivery, and calculation of transmission loss,

(k) preparation and implementation of detailed operating plans that may produce results more advantageous to both countries than those that would arise from operation under the plans referred to in annexes A and B.

(3) The entities are authorized to make maintenance curtailments. Except in case of emergency, the entity responsible for a maintenance curtailment shall give notice to the corresponding Canadian or United States entity of the curtailment, including the reason therefor and the probable duration thereof and shall both schedule the curtailment with a view to minimizing its impact and exercise due diligence to resume full operation.

(4) Canada and the United States of America may by an exchange of notes empower or charge the entities with any other matter coming within the scope of the treaty.

ARTICLE XV

Permanent Engineering Board

(1) A permanent engineering board is established consisting of four members, two to be appointed by Canada and two by the United States of America. The initial appointments shall be made within three months of the ratification date.

(2) The permanent engineering board shall:

(a) assemble records of the flows of the Columbia river and the Kootenay river at the Canada-United States of America boundary;

(b) report to Canada and the United States of America whenever there is substantial deviation from the hydroelectric and flood control operating plans and if appropriate include in the report recommendations for remedial action and compensatory adjustments;

(c) assist in reconciling differences concerning technical or operational matters that may arise between the entities;

(d) make periodic inspections and require reports as necessary from the entities with a view to ensuring that the objectives of the treaty are being met;

(e) make reports to Canada and the United States of America at least once a year of the results being achieved under the treaty and make special reports concerning any matter which it considers should be brought to their attention;

(f) investigate and report with respect to any other matter coming within the scope of the treaty at the request of either Canada or the United States of America.

(3) Reports of the permanent engineering board made in the course of the performance of its functions under this article shall be prima facie evidence of the facts therein contained and shall be accepted unless rebutted by other evidence.

(4) The permanent engineering board shall comply with directions, relating to its administration and procedures, agreed upon by Canada and the United States of America as evidenced by an exchange of notes.

ARTICLE XVI

Settlement of Differences

(1) Differences arising under the treaty which Canada and the United States of America cannot resolve may be referred by either to the international joint commission for decision.

(2) If the international joint commission does not render a decision within three months of the referral or within such other period as may be agreed upon by Canada and the United States of America, either may then submit the difference to arbitration by written notice to the other.

(3) Arbitration shall be by a tribunal composed of a member appointed by Canada, a member appointed by the United States of America and a member appointed jointly by Canada and the United States of America who shall be chairman. If within six weeks of the delivery of a notice under paragraph (2) either Canada or the United States of America has failed to appoint its member, or they are unable to agree upon the member who is to be chairman, either Canada or the United States of America may request the president of the international court of justice to appoint the member or members. The decision of a majority of the members of an arbitration tribunal shall be the decision of the tribunal.

(4) Canada and the United States of America shall accept as definitive and binding and shall carry out any decision of the international joint commission or an arbitration tribunal.

(5) Provision for the administrative support of a tribunal and for remuneration and expenses of its members shall be as agreed in an exchange of notes between Canada and the United States of America.

(6) Canada and the United States of America may agree by an exchange of notes on alternative procedures for settling differences arising under the treaty, including reference of any difference to the international court of justice for decision.

ARTICLE XVII

Restoration of Pre-Treaty Legal Status

(1) Nothing in this treaty and no action taken or forgone pursuant to its provisions shall be deemed, after its termination or expiration, to have abrogated or modified any of the rights or obligations of Canada or the United States of America under then existing international law, with respect to the uses of the water resources of the Columbia river basin.

(2) Upon termination of this treaty, the boundary waters treaty, 1909, shall, if it has not been terminated, apply to the Columbia river basin, except in so far as the provisions of that treaty may be inconsistent with any provision of this treaty which continues in effect.

(3) Upon termination of this treaty, if the boundary waters treaty, 1909, has been terminated in accordance with article XIV of that treaty, the provisions of article II of that treaty shall continue to apply to the waters of the Columbia river basin.

(4) If upon the termination of this treaty article II of the boundary waters treaty, 1909, continues in force by virtue of paragraph (3) of this article the effect of article II of that treaty with respect to the Columbia river basin may be terminated by either Canada or the United States of America delivering to the other one year's written notice to that effect; provided however that the notice may be given only after the termination of this treaty.

(5) If prior to the termination of this treaty Canada undertakes works usable for and relating to a diversion of water from the Columbia river basin, other than works authorized by or undertaken for the purpose of exercising a right under article XIII or any other provision of this treaty, paragraph (3) of this article shall cease to apply one year after delivery by either Canada or the United States of America to the other of written notice to that effect.

ARTICLE XVIII

Liability for Damage

(1) Canada and the United States of America shall be liable to the other and shall make appropriate compensation to the other in respect of any act, failure to act, omission or delay amounting to a breach of the treaty or of any of its provisions other than an act, failure to act, omission or delay occurring by reason of war, strike, major calamity, act of God, uncontrollable force or maintenance curtailment.

(2) Except as provided in paragraph (1) neither Canada nor the United States of

America shall be liable to the other or to any person in respect of any injury, damage or loss occurring in the territory of the other caused by any act, failure to act, omission or delay under the treaty whether the injury, damage or loss results from negligence or otherwise.

(3) Canada and the United States of America, each to the extent possible within its territory, shall exercise due diligence to remove the cause of and to mitigate the effect of any injury, damage or loss occurring in the territory of the other as a result of any act, failure to act, omission or delay under the treaty.

(4) Failure to commence operation as required under articles IV and XII is not a breach of the treaty and does not result in the loss of rights under the treaty if the failure results from a delay that is not wilful or reasonably avoidable.

(5) The compensation payable under paragraph (1):

(a) in respect of a breach by Canada of the obligation to commence full operation of a storage, shall be forfeiture of entitlement to downstream power benefits resulting from the operation of that storage, after operation commences, for a period equal to the period between the day of commencement of operation and the day when commencement should have occurred;

(b) in respect of any other breach by either Canada or the United States of America, causing loss of power benefits, shall not exceed the actual loss in revenue from the sale of hydroelectric power.

ARTICLE XIX

Period of Treaty

(1) The treaty shall come into force on the ratification date.

(2) Either Canada or the United States of America may terminate the treaty other than article XIII (except paragraph (1) thereof), article XVII and this article at any time after the treaty has been in force for 60 years if it has delivered at least 10 years written notice to the other of its intention to terminate the treaty.

(3) If the treaty is terminated before the end of the useful life of the dam built under article XII then, notwithstanding termination, article XII remains in force until the end of the useful life of the dam.

(4) If the treaty is terminated before the end of the useful life of the facilities providing the storage described in article IV(3) and if the conditions described therein exist then, notwithstanding termination, articles IV(3) and VI(4) and (5) remain in force until either the end of the useful life of these facilities or until those conditions cease to exist, whichever is the first to occur.

ARTICLE XX

Ratification

The instruments of ratification of the treaty shall be exchanged by Canada and the United States of America at Ottawa, Canada.

ARTICLE XXI

Registration with the United Nations

In conformity with article 102 of the charter of the United Nations, the treaty shall be registered by Canada with the secretariat of the United Nations.

This treaty has been done in duplicate copies in the English language.

In witness whereof the undersigned, duly authorized by their respective governments, have signed this treaty at Washington, District of Columbia, United States of America, this seventeenth day of January, 1961.

For Canada:

JOHN G. DIEFENBAKER
Prime Minister of Canada

E. D. FULTON
Minister of Justice

A. D. P. HEENEY
Ambassador Extraordinary and Plenipotentiary of Canada to the United States of America

For the United States of America:

DWIGHT D. EISENHOWER
President
of the United States of America

CHRISTIAN A. HERTER
Secretary of State

ELMER F. BENNETT
Under Secretary of the Interior

ANNEX A

PRINCIPLES OF OPERATION

General

1. The Canadian storage provided under article II will be operated in accordance with the procedures described herein.

2. A hydrometerological system, including snow courses, precipitation stations and stream flow gauges will be established and operated, as mutually agreed by the entities and in consultation with the permanent

engineering board, for use in establishing data for detailed programming of flood control and power operations. Hydrometeorological information will be made available to the entities in both countries for immediate and continuing use in flood control and power operations.

3. Sufficient discharge capacity at each dam to afford the desired regulation for power and flood control will be provided through outlet works and turbine installations as mutually agreed by the entities. The discharge capacity provided for flood control operations will be large enough to pass inflow plus sufficient storage releases during the evacuation period to provide the storage space required. The discharge capacity will be evaluated on the basis of full use of any conduits provided for that purpose plus one half the hydraulic capacity of the turbine installation at the time of commencement of the operation of storage under the treaty.

4. The outflows will be in accordance with storage reservation diagrams and associated criteria established for flood control purposes and with reservoir-balance relationships established for power operations. Unless otherwise agreed by the entities the average weekly outflows shall not be less than 3000 cubic feet per second at the dam described in article II(2)(a), not less than 5000 cubic feet per second at the dam described in article II(2)(b) and not less than 1000 cubic feet per second at the dam described in article II(2)(c). These minimum average weekly releases may be scheduled by the Canadian entity as required for power or other purposes.

Flood Control

5. For flood control operation, the United States entity will submit flood control operating plans which may consist of or include flood control storage reservation diagrams and associated criteria for each of the dams. The Canadian entity will operate in accordance with these diagrams or any variation which the entities agree will not derogate from the desired aim of the flood control plan. The use of these diagrams will be based on data obtained in accordance with paragraph 2. The diagrams will consist of relationships specifying the flood control storage reservations required at indicated times of the year for volumes of forecast runoff. After consultation with the Canadian entity the United States entity may from time to time as conditions warrant adjust these storage reservation diagrams within the general limitations of flood control operation. Evacuation of the storages listed hereunder will be guided by the flood control storage reservation diagrams and refill will be as requested by the United States entity after consultation with the Canadian entity. The general limitations of flood control operation are as follows:

(a) The dam described in article II(2)(a) —The reservoir will be evacuated to provide up to 80,000 acre-feet of storage, if required, for flood control use by May 1 of each year.

(b) The dam described in article II(2)(b) —The reservoir will be evacuated to provide up to 7,100,000 acre-feet of storage, if required, for flood control use by May 1 of each year.

(c) The dam described in article II(2)(c) —The reservoir will be evacuated to provide up to 700,000 acre-feet of storage, if required, for flood control use by April 1 of each year and up to 1,270,000 acre-feet of storage, if required, for flood control use by May 1 of each year.

(d) The Canadian entity may exchange flood control storage provided in the reservoir referred to in subparagraph (b) for additional storage provided in the reservoir referred to in subparagraph (a) if the entities agree that the exchange would provide the same effectiveness for control of floods on the Columbia river at The Dalles, Oregon.

Power

6. For power generating purposes the 15,500,000 acre-feet of Canadian storage will be operated in accordance with operating plans designed to achieve optimum power generation downstream in the United States of America until such time as power generating facilities are installed at the site referred to in paragraph 5(a) or at sites in Canada downstream therefrom.

7. After at-site power is developed at the site referred to in paragraph 5(a) or power generating facilities are placed in operation in Canada downstream from that site, the storage operation will be changed so as to be operated in accordance with operating plans designed to achieve optimum power generation at-site in Canada and downstream in Canada and the United States of America, including consideration of any agreed electrical co-ordination between the two countries. Any reduction in the downstream power benefits in the United States of America resulting from that change in operation of the Canadian storage shall not exceed in any one year the reduction in downstream power benefits in the United States of America which would result from reducing by 500,000 acre-feet the Canadian storage operated to achieve optimum power generation in the United States of America

and shall not exceed at any time during the period of the treaty the reduction in downstream power benefits in the United States of America which would result from similarly reducing the Canadian storage by 3,000,000 acre-feet.

8. After at-site power is developed at the site referred to in paragraph 5(a) or power generating facilities are placed in operation in Canada downstream from that site, storage may be operated to achieve optimum generation of power in the United States of America alone if mutually agreed by the entities in which event the United States of America shall supply power to Canada to offset any reduction in Canadian generation which would be created as a result of such operation as compared to operation to achieve optimum power generation at-site in Canada and downstream in Canada and the United States of America. Similarly, the storage may be operated to achieve optimum generation of power in Canada alone if mutually agreed by the entities in which event Canada shall supply power to the United States of America to offset any reduction in United States generation which would be created as a result of such operation as compared to operation to achieve optimum power generation at-site in Canada and downstream in Canada and the United States of America.

9. Before the first storage becomes operative, the entities will agree on operating plans and the resulting downstream power benefits for each year until the total of 15,500,000 acre-feet of storage in Canada becomes operative. In addition, commencing five years before the total of 15,500,000 acre-feet of storage is expected to become operative, the entities will agree annually on operating plans and the resulting downstream power benefits for the sixth succeeding year of operation thereafter. This procedure will continue during the life of the treaty, providing to both entities, in advance, an assured plan of operation of the Canadian storage and a determination of the resulting downstream power benefits for the next succeeding five years.

ANNEX B

DETERMINATION OF DOWNSTREAM POWER BENEFITS

1. The downstream power benefits in the United States of America attributable to operation in accordance with annex A of the storage provided by Canada under article II will be determined in advance and will be the estimated increase in dependable hydroelectric capacity in kilowatts for agreed critical stream flow periods and the increase in average annual usable hydroelectric energy output in kilowatt hours on the basis of an agreed period of stream flow record.

2. The dependable hydroelectric capacity to be credited to Canadian storage will be the difference between the average rates of generation in kilowatts during the appropriate critical stream flow periods for the United States of America base system, consisting of the projects listed in the table, with and without the addition of the Canadian storage, divided by the estimated average critical period load factor. The capacity credit shall not exceed the difference between the capability of the base system without Canadian storage and the maximum feasible capability of the base system with Canadian storage, to supply firm load during the critical stream flow periods.

3. The increase in the average annual usable hydroelectric energy will be determined by first computing the difference between the available hydroelectric energy at the United States base system with and without Canadian storage. The entities will then agree upon the part of available energy which is usable with and without Canadian storage, and the difference thus agreed will be the increase in average annual usable hydroelectric energy. Determination of the part of the energy which is usable will include consideration of existing and scheduled transmission facilities and the existence of markets capable of using the energy on a contractual basis similar to the then existing contracts. The part of the available energy which is considered usable shall be the sum of:

(a) the firm energy,

(b) the energy which can be used for thermal power displacement in the Pacific northwest area as defined in Paragraph 7, and

(c) the amount of the remaining portion of the available energy which is agreed by the entities to be usable and which shall not exceed in any event 40 per cent of that remainder.

4. An initial determination of the estimated downstream power benefits in the United States of America from Canadian storage added to the United States base system will be made before any of the Canadian storage becomes operative. This determination will include estimates of the downstream power benefits for each year until the total of 15,500,000 acre-feet of Canadian storage becomes operative.

5. Commencing five years before the total of 15,500,000 acre-feet of storage is expected to become operative, estimates of downstream power benefits will be calculated annually for the sixth succeeding year on the basis of the assured plan of operation for that year.

6. The critical stream flow period and the details of the assured plan of operation will be agreed upon by the entities at each determination. Unless otherwise agreed upon by the entities, the determination of the downstream power benefits shall be based upon stream flows for the 20-year period beginning with July 1928 as contained in the report entitled *Modified Flows at Selected Power Sites—Columbia River Basin,* dated June 1957. No retroactive adjustment in downstream power benefits will be made at any time during the period of the treaty. No reduction in the downstream power benefits credited to Canadian storage will be made as a result of the load estimate in the United States of America, for the year for which the determination is made, being less than the load estimate for the preceding year.

7. In computing the increase in dependable hydroelectric capacity and the increase in average annual hydroelectric energy, the procedure shall be in accordance with the three steps described below and shall encompass the loads of the Pacific northwest area. The Pacific northwest area for purposes of these determinations shall be Oregon, Washington, Idaho and Montana west of the continental divide but shall exclude areas served on the ratification date by the California Oregon Power Company and Utah Power and Light Company.

Step I

The system for the period covered by the estimate will consist of the Canadian storage, the United States base system, any thermal installation operated in co-ordination with the base system, and additional hydroelectric projects which will provide storage releases usable by the base system or which will use storage releases that are usable by the base system. The installations included in this system will be those required, with allowance for adequate reserves, to meet the forecast power load to be served by this system in the United States of America, including the estimated flow of power at points of interconnection with adjacent areas, subject to paragraph 3, plus the portion of the entitlement of Canada that is expected to be used in Canada. The capability of this system to supply this load will be determined on the basis that the system will be operated in accordance with the established operating procedures of each of the projects involved.

Step II

A determination of the energy capability will be made using the same thermal installation as in step I, the United States base system with the same installed capacity as in step I and Canadian storage.

Step III

A similar determination of the energy capability will be made using the same thermal installation as in step I and the United States base system with the same installed capacity as in step I.

8. The downstream power benefits to be credited to Canadian storage will be the differences between the determinations in step II and step III in dependable hydroelectric capacity and in average annual usable hydroelectric energy, made in accordance with paragraphs 2 and 3.

[*See table page 1201.*]

STATEMENT BY PRIME MINISTER OF CANADA

It is with great pleasure that I am able to announce that the treaty for the co-operative development of the Columbia river basin has been signed in Washington today. This marks the successful outcome of nearly three years of intensive work on a project that will, in years to come, bring very great benefits to both Canada and the United States.

Knowing the great importance that a suitable arrangement for development of the Columbia basin could have for Canada, the present government began work on it almost immediately after it assumed office. The project had been under consideration for many years and engineering studies, under a reference to the international joint commission, had been pursued since 1944. The problem was to get the matter actively advanced and to put negotiations with the United States on a profitable and fruitful basis. Essential to the whole plan, so far as Canada was concerned, was the need to secure recognition by the United States—which there had never been before—of the principle that a downstream country should share the benefits it might get from storage works in a neighbouring upstream country. I regard it as a great achievement that, not only were we able to get negotiations under way with purpose and action, but we were also successful in securing agreement on that principle of such basic and far-reaching importance to this country.

It will be recalled that at the end of January 1959, the governments of Canada and the United States requested the international joint commission to report to them on:

(a) the benefits which will result from the co-operative use of storage of waters and electrical interconnection within the Columbia river system; and

(b) the apportionment between the two countries of such benefits more particularly in regard to electrical generation and flood control.

The commission reported and submitted the principles on which it had been able to

ANNEX B

TABLE—BASE SYSTEM

Project	Stream	Stream Mile Above Mouth	Usable Storage Acre-feet	Normal Elevation		Gross Head Feet	Initial Installation		Estimated Ultimate Installation	
				Pool Feet	Tailwater Feet		No. of Units	Plant Kilowatts (Nameplate)	No. of Units	Plant Kilowatts (Nameplate)
Hungry Horse	S. Fk. Flathead	5	3,161,000[4]	3,560	3,083	477	4	285,000	4	285,000
Kerr	Flathead	73	1,219,000	2,893	2,706	187	3	168,000	3	168,000
Thompson Falls	Clark Fork	209	Pondage	2,396	2,336	60	6	30,000	8	65,000
Noxon Rapids	Clark Fork	170	Pondage	2,331	2,179	152	4	336,000	5	420,000
Cabinet Gorge	Clark Fork	150	Pondage	2,175	2,078	97	4	200,000	6	300,000
Albeni Falls	Pend Oreille	90	1,155,000	2,062	2,034	28	3	42,600	3	42,600
Box Canyon	Pend Oreille	34	Pondage	2,031	1,989	42	4	60,000	4	60,000
Grand Coulee	Columbia	597	5,232,000[4]	1,290[3][4]	947	343	18	1,944,000	34	3,672,000
Chief Joseph	Columbia	546	Pondage	946	775	171	16	1,024,000	27	1,728,000
Wells [1]	Columbia	516	Pondage	775	707	68	6	400,000	10	666,700
Rocky Reach	Columbia	474	Pondage	707	614	93	7	711,550	11	1,118,150
Rock Island	Columbia	453	Pondage	608[3]	570	38	10	212,100	10	212,100
Wanapum	Columbia	415	Pondage	570	486	84	10	831,250	16	1,330,000
Priest Rapids	Columbia	397	Pondage	486	406	80	10	788,500	16	1,261,600
Brownlee	Snake	285	974,000	2,077	1,805	272	4	360,400	6	540,600
Oxbow	Snake	273	Pondage	1,805	1,683	122	4	190,000	5	237,500
Ice Harbour	Snake	10	Pondage	440	343	97	3	270,000	6	540,000
McNary	Columbia	292	Pondage	340	265	75	14	980,000	20	1,400,000
John Day	Columbia	216	Pondage	265	161	104	8	1,080,000	20	2,700,000
The Dalles	Columbia	192	Pondage	160	74	86	16[2]	1,119,000	24[2]	1,743,000
Bonneville	Columbia	145	Pondage	74	15	59	10	518,400	16	890,400
Kootenay Lake	Kootenay	16	673,000	1,745	—	—	—	—	—	—
Chelan	Chelan	0	676,000	1,100	707	393	2	48,000	4	96,000
Coeur d'Alene L	Coeur d'Alene	102	223,000	2,128	—	—	—	—	—	—
TOTAL—24 Projects			13,313,000[4]			3,128	166	11,598,800	258	19,476,650

[1] The Wells project is not presently under construction; when this project or any other project on the main stem of the Columbia river is completed, they will be integral components of the base system.

[2] Includes two 13,500 kilowatt units for fish attraction water.

[3] With flashboards.

[4] In determining the base system capabilities with and without Canadian storage the Hungry Horse reservoir storage will be limited to 3,008,000 acre-feet (normal full pool elevation of 3,560 feet) and the Grand Coulee project will not include the effect of adding flashboards, limiting the storage to 5,072,000 acre-feet (normal full pool elevation of 1,288 feet). The total usable storage of the base system as so adjusted will be 13,000,000 acre-feet.

achieve agreement on December 29, 1959. Less than a month later, on January 25, 1960, the two governments announced the appointment of delegations to represent them in negotiations looking toward the formulation of a definite agreement for development of the Columbia basin. Eight months after that, on September 28, the two negotiating teams were able to submit a progress report that set forth the basic provisions that they recommended for inclusion in a treaty. That progress report was accepted by the two governments in an exchange of notes on October 19 last.

Since October the negotiations for a treaty have proceeded with meetings in Washington and Ottawa. On January 8 of this year the negotiating teams signed a report to the two governments submitting a draft of the treaty that they recommended for signature and ratification. That draft treaty has now been considered, not only by the national governments in Ottawa and Washington but also by the government of British Columbia in Victoria. It has been approved by all governments and has been signed today on behalf of Canada by the Right Honourable the Prime Minister and Hon. E. D. Fulton, Minister of Justice and chairman of the Canadian negotiating group, and by the Canadian ambassador in Washington.

The treaty does not depart in any fundamental respect from the program that was recommended in the progress report of September 28, although a number of improvements have been made.

So far as Canada is concerned, the most important single feature of the treaty is the one I have already referred to—the recognition of the principle of division of downstream benefits. From that principle all the great advantages that are possible for Canada as a result of co-operative development of the Columbia basin flow. Without that principle the entire arrangement would be fruitless for this country. Our predecessors in office had failed to achieve recognition of this basic point. We have succeeded. The treaty embodies the principle that downstream benefits are to be divided equally. That alone is a success of the most outstanding character.

We have been able to achieve this in a way which will fully respect the sovereignty of each country. By avoiding any complicated cost-sharing and by making the arrangement as self-enforcing as possible we have ensured that there will be no unnecessary intrusion into each other's affairs across the international boundary.

The Columbia river treaty calls for construction of three major dams for the storage of water on the Columbia river system in Canada. The largest of these will be located near Mica Creek on the main stem of the Columbia river and is estimated to cost some $247 million. The second dam will be near the outlet of the Arrow lakes at an estimated cost of nearly $72 million. The third dam will be on the Kootenay system tributary to the Columbia river, probably near Duncan lake, at an estimated cost of nearly $26 million. The total expenditure involved in the Canadian storages is thus estimated to be approximately $345 million. Table 1 attached sets forth these figures in greater detail.

The dams in Canada will store very large quantities of water for regulated release to increase the production of power downstream. Initially that increase in power production will be entirely in the United States since Canada does not now have any generators installed on the Columbia river in this country. In return for the very valuable regulation of the flow of water, the treaty provides that Canada will receive 50 per cent of the increase in usable power in the United States. This increase in power downstream is the gain that is commonly referred to as the "downstream benefit". It is these benefits that the United States has agreed to share with us.

The magnitude of the increase in power production as a result of the Canadian storages is very great indeed. This results in part from the fact that the Columbia river has an extreme variation in flow in its natural state. The flow at the border can vary as much as 40:1 because of seasonal fluctuation. The increase in power output is also great because of the enormous investment that the United States has made in the installation of power producing facilities downstream. The control of the widely variable natural flow of water in order to cause the passage of regulated quantities at a planned rate through the very large United States facilities is what produces the valuable downstream benefits. It has been agreed in the treaty that the Canadian storages will be put in the most favourable position in the attribution of benefits to storage. In the terms of engineering science, this is described by giving the Canadian storages "next added" position in the credit that is to be given to our 15.5 million acre-feet in regulation for downstream benefits. By agreeing that our storages have that position, the United States has agreed, in effect, that their benefits shall be of the largest order that this storage can achieve. This is a point of very great importance in ensuring the maximum share of power for Canada.

To give some idea of the magnitude of the power benefits I am advised that the Canadian share attributable to the storages and

delivered to load centres in British Columbia will amount to 6.856 billion kilowatt hours per year and to a firm electrical capacity of 1,-118,000 kilowatts. Table 2 attached gives a detailed example of the power benefits to be received in a sample year.

There has been some confusion concerning the sharing of the downstream benefits because figures released in Portland, Oregon, on October 19, 1960, dealt with the question in a somewhat different way than figures released here have done. I want to make it quite clear that I am not suggesting that those figures were inaccurate. I am advised that, so far as Canadian information goes, they are entirely accurate. Moreover, on the extent of the downstream power and its division between the two countries they are entirely consistent with the figures released here. The problem is to analyse them without a knowledge of electrical engineering. In order to help clarify what has been a point of uncertainty table 3 has been prepared and is attached hereto.

The power that Canada secures from the treaty projects will not only be great in quantity, but it will also be low in cost. The treaty provides that the United States will deliver the Canadian share of the power free of charge at a point on the Canada-United States boundary near Oliver, British Columbia. They will also provide stand-by transmission facilities at a cost of $1.50 per year for each kilowatt of Canadian capacity. These stand-by facilities will make it unnecessary for British Columbia to incur substantial costs that would otherwise be necessary to build an additional line to ensure the regular delivery of the power to Vancouver. As a result of all these factors it is estimated, on what I am advised is a conservative basis, that the Canadian share of power can be delivered at load centres in the lower mainland and interior at less than 4 mills per kilowatt hour.

The United States will, of course, secure an equal amount of the increase in power brought about there by the control of the Canadian storages. In considering the cost of this power to the United States, it is important to bear in mind that, although they do not now have to make new expenditures equal to those in Canada to secure this power, this is only because the United States has already expended upwards of $2 billion at 1957 prices on plants and developments on the Columbia river in their country. As I have said, it is only because this investment has been made that the increase in downstream power from Canadian storage is possible.

The securing of downstream benefits from the Canadian storages is only the initial stage of the results that will flow from the Columbia river development. It will be possible later on to instal generators at the dam near Mica creek and also, as the power requirements of British Columbia justify it, to construct additional plants downstream in Canada to make use of our regulated flow of water.

The treaty makes provision for flexibility in the plans under which our storages will be regulated. As power generation facilities are installed on the Columbia river in Canada it will be possible to devote steadily greater proportions of the stored water to increasing power generation in Canada and the United States jointly instead of in the United States alone. There will thus be a shift of emphasis in the future from shared downstream benefits to Canadian power production. While the nature and timing of Canadian power plans cannot be definite at this stage, I am advised that it seems reasonable to estimate that the Columbia river development will ultimately produce 20.2 billion kilowatt hours of power each year in Canada over and above the 6.856 billion kilowatt hours that is our initial share of downstream benefits. It is estimated that the average cost of this entire block of power delivered at British Columbia load centres will still be approximately the 4 mill figure that I have mentioned.

While these later developments cannot, as I have said, be scheduled at this time the character of the projects and the magnitude of the power they would produce can be calculated. Table 4 lists these possibilities.

In order that the full magnitude of the investment in the initial phase of the program may be understood, I should mention, as the tables will disclose, that in addition to the $345 million for the storages that I have already referred to, there will be investment in new transmission in British Columbia to an estimated cost of some $114 million. The total investment in the first phase will thus amount to about $458 million. The ultimate investment to provide for a full development of the kind I have referred to could be in the vicinity of $1.5 billion.

I have dealt thus far with only one aspect—although the largest aspect—of the advantages that will flow from the Columbia river development. I have spoken entirely of power. The regulation of the flow of water in Canada will provide other benefits through the reduction of the danger of serious floods in the United States. Under the treaty Canada will receive a substantial return for this service.

I mentioned that the three Canadian storages will impound a very large quantity of water of which 15.5 million acre-feet will be operated under agreed plans for the optimum production of power in the Columbia river basin. Of these 15.5 million acre-feet, 8,450,000 acre-feet will be handled from time

to time under agreed flood control plans. These will be designed to control the flows of water downstream in the United States so that they will, at the flood periods, not exceed 800,000 cubic feet per second at The Dalles, Oregon. This plan of operation for flood control will continue for 60 years. In return for this service the United States will make payments to Canada upon the commencement of operation of each storage dam. These payments will be calculated on the basis that Canada is entitled to a return equivalent to 50 per cent of the estimated damage that is prevented to downstream developments as they would stand in 1985. The calculations are complicated and involve a number of assumptions, but they have been established to the satisfaction not only of the engineers but of the financial experts on both sides. As the payments for the full amount of the service over the entire 60 years will be made to Canada in lump sum on the completion of the various storages, they will help substantially in the financing of the dams. The treaty calls for the dams on the Arrow lakes and near Duncan lake to be completed in five years from the ratification date. The dam at Mica creek is larger and its completion is not called for until nine years from the ratification date. The total of the flood control payments to be made at the five and nine year completion dates is $64.4 million in United States funds. In order to enable the completion schedule to be maintained the treaty calls for the construction of all three dams to begin as soon as possible after the ratification date.

While I need not enlarge on the obvious advantage of the very substantial lump sum flood payment in helping with initial financing, I think I might point out that this is not the whole story. If the payment is invested in the projects, it is not an obligation to repay and it bears no interest. The saving from that fact is very great. It can be demonstrated by assuming that the money invested in the projects earns money at a low borrowing rate over the amortization period. The end result is a value to Canada over a 50-year period of $190,200,000. There is attached a table on this matter (table 5).

During the 60 years that the agreed flood control plan is to operate, Canada will also stand ready to provide additional flood control on an "on call" basis if it is required. For this service Canada will be paid $1,875,000 on each of the first four calls up to a total of $7.5 million. This amount is related to a plan that was originally contemplated in the progress report on September 28, 1960, but which has now been varied in order to provide greater freedom for Canada to use the stored water for power production. In addition to the cash payments that I have referred to, Canada will also receive compensation—in cash or in power at our option —for any loss in power that may be suffered through the control of water to avoid flooding beyond the primary flood control objective. This is a compensation that was not originally provided for in the progress report and is an improvement from the Canadian point of view.

The dams that are contemplated will have a life and usefulness well beyond the 60 years of the flood control plan. After that time Canada has agreed, so far as existing facilities may then permit, to provide flood control for the United States to the extent that the flows of water down the Columbia from Canada continue to constitute a flood hazard. If any call is made for such flood control after the 60-year period the United States is committed to pay Canadian operating costs, together with compensation for any economic loss to Canada that results. Any losses in Canadian power may be taken by Canada in power, rather than in cash.

I have dealt with the three storage dams planned in Canada. There is a fourth major storage contemplated under the treaty which would involve construction in the United States and some flooding into Canada. This is the storage on the Kootenay river in Montana that has been referred to as the Libby dam. Under the treaty the United States will have five years from the ratification date to decide whether it wishes to build this dam at its own expense. If it exercises this option, the treaty requires Canada to make available the land in Canada that is needed for the reservoir. This land would cost, it is estimated, from $7 million to $12 million. In return for that, Canada would secure all the increase in power capacity that results on the lower Kootenay river after it has reentered Canada below the Libby dam as well as valuable flood protection. It is estimated that the gain in power in Canada will amount to between 250,000 and 300,000 kilowatts. The United States, which meets the entire cost of the dam, will secure the benefis that accrue on their side of the boundary. For purposes of convenience, the tables that I have submitted give an indication of the results for Canada if the Libby option is exercised.

The treaty makes provision for a number of diversions of water that may be made by Canada from the Kootenay river in its natural course in different circumstances and at different times. It will be possible, even if the United States exercises its option to build the Libby dam, to divert 1.5 million acre-feet of water per year from the Kootenay river in Canada into the head waters of the

Columbia river to increase power production in Canada. It will not be advantageous to do this until generators have been installed on our part of the Columbia, which will not be for some years. This right, is exercisable by Canada at any time after 20 years from the ratification date. If the United States does not exercise its option to build Libby dam, the treaty provides that Canada has the immediate right to make a major diversion from the Kootenay river into the Columbia river that would send approximately 90 per cent of the flow down that course. There are also provisions for major diversions at the end of 60 and 80 years even if the United States has built the Libby dam. The permanent rights of Canada to the free use of the waters of the Kootenay river are thus protected.

I might emphasize at this point that the position of the boundary waters treaty of 1909 has been kept very much in mind in recent negotiations. The applicability of that treaty to the Columbia has been preserved to the fullest extent consistent with the great and beneficial developments envisaged in this new treaty and our rights under the boundary waters treaty have been completely protected against the time when the new treaty may approach an end. The application of the boundary waters treaty to other waters along the international boundary will, of course, be unaffected by the Columbia river treaty.

The outline I have given of the main features of the construction projects and returns to Canada under the Columbia river treaty has, of necessity, been brief and general. A study of its terms and of the tables I have submitted will fill in much of the detail. There is one further matter, however, on which it might be useful for me to provide some information that will help in an evaluation of the proposed development.

I mentioned that the principle of sharing downstream benefits is basic to the treaty. I also mentioned that while, in the initial phase, the main power advantage to Canada will be downstream benefits returned by the United States, there will be a steady shift in later years to power produced in Canada. Of the three Canadian storages, those in the Arrow lakes and near Duncan lake will provide the major returns in the early years, because their value is largely for downstream benefits. The great dam near Mica creek will produce its largest advantages in the later phase because it makes possible very great power production in Canada. The costs of the Arrow lakes and Duncan lake storages are so low in relation to the power return they secure that they can, in effect, go a great distance toward easing the burden of the Mica costs in the early years before its full benefits come in. Similarly our returns from the Libby dam, if it is built, will come at a very small cost. I have a table (table 6) that shows the large accumulations of revenue that can be made in the early years from the sales of power deriving from the Arrow lakes and Duncan lake storages and downstream from Libby in Canada. These figures are all on the basis that the power is sold at the 4 mill figure I have referred to. The other assumptions are shown and all are, I believe, conservative.

This table shows that, on the basis I have mentioned, the dams at Arrow lakes and Duncan lake as well as the new transmission to return the downstream power, together with the new facilities on the lower Kootenay, can be fully paid for in accumulated revenues by about 1983. The interest on the earned revenues of these projects can more than offset their total annual costs by 1991. The table is based on a decline in downstream power benefits at that time which may or may not occur to the extent assumed. In no event, however, can the projects after that point be net losers. They will, moreover, have served their purpose in securing great amounts of low cost power in the early years and in assisting to make the Mica dam possible and thus ensuring its enormous benefits in later years.

Implementation of the program under the treaty will require the designation of responsible operating entities in both Canada and the United States. In the case of Canada it is expected that the operating entity will be the British Columbia Power Commission. There will also be a permanent engineering board, consisting of two members appointed by Canada and two by the United States, to make periodic inspections, to require reports from the operating entities and generally to watch the operation of the plans provided for by the treaty. The board will report to the governments of Canada and the United States whenever there is a substantial deviation from the hydroelectric and flood control operating plans. The board will also have additional functions including that of assisting in the reconciliation of any differences on technical or operating matters.

If the entities cannot reconcile any differences that arise between them with the help of the permanent engineering board, or if there are other unresolved differences, the treaty provides that either party to the treaty—that is, either Canada or the United States—may refer the matter to the international joint commission. If the commission does not render a decision within stipulated

times, either party may submit the difference to an arbitration tribunal. There is also provision for alternative procedures, if they are agreed on, including reference to the international court of justice.

The treaty, if ratified, will remain in force for a minimum of 60 years, terminable on 10 years' notice by either party. There are, however, as I have mentioned, special provisions that extend beyond the minimum 60-year period in relation to flood control and certain diversions of water from the Kootenay river.

I have dealt only with the highlights of this extensive and complex agreement. The government will, of course, submit the entire treaty for consideration by the parliament of Canada and for its approval before ratification takes place. The timing of ratification will depend, so far as Canada is concerned, partly on action by British Columbia. So far as the government of Canada itself is concerned, we would be prepared to initiate action for parliamentary approval and subsequent ratification at once. The significance of this treaty, and the program contemplated by it, for the economic development of Canada is such that any undue delay would be most unfortunate.

The government of Canada has made it clear to the government of British Columbia that it is prepared to join on an equal basis in the financing of the construction costs of the storage dams I have referred to. It has been made clear that we are prepared to do this on a basis that will call for repayment, not on a fixed schedule but as returns are earned through the sale of power. That offer is still open. My colleague the Minister of Finance has made it clear that he stands ready to meet the premier of British Columbia in order to discuss the offer at any time that may be mutually convenient.

In conclusion, the treaty that is being signed today is without precedent in the relations between nations. It represents a new level of co-operation for mutual advantage. Without the proposed agreement neither country could secure benefits for its people equal to those that can be realized through the action that the treaty contemplates. The treaty is, I believe, fair and equitable to both parties. Its implementation will be a splendid example of co-operation between neighbours. It will also through the great investment involved and by reason of the low cost power it provides serve as a most important stimulus to the Canadian economy.

TABLE 1

APPROXIMATE PROJECT AND TRANSMISSION INVESTMENT COSTS

Project	At-Site Investment Cost	Transmission Investment Cost	Total
	$	$	$
High Arrow lakes	71,800,000	81,400,000	153,200,000
Duncan lake	25,600,000	2,300,000	27,900,000
Mica storage	247,200,000	30,100,000	277,300,000
Total cost of treaty projects	344,600,000	113,800,000	458,400,000
Estimated cost of Libby flowage in Canada	10,000,000	0	10,000,000
Extensions to West Kootenay area power developments	46,000,000	25,400,000	71,400,000
Totals	400,600,000	139,200,000	539,800,000

TABLE 2

ESTIMATED CANADIAN SHARE OF DOWNSTREAM POWER BENEFITS FOR THE YEAR 1970

Project	Benefits At The Generators		Benefits Adjusted to a 70% Load Factor and Delivered to Loads [1]	
	Capacity in Kilowatts	Energy in Billions of Kilowatt Hours	Capacity in Kilowatts	Energy in Billions of Kilowatt Hours
High Arrow lakes	771,000	4.240	684,000	4.194
Duncan lake	145,000	0.657	118,000	0.724
Mica storage	394,000	1.761	316,000	1.938
Total for treaty projects	1,310,000	6.658	1,118,000	6.856
Estimated downstream benefits in the West Kootenay area in Canada from Duncan and Libby regulation			359,000	2.201
Total Benefits at Loads			1,477,000	9.057

[1] 6 per cent transmission loss assumed for all power delivered to Vancouver and Kamloops areas. No losses assumed for power utilized in the Trail area. In the adjustment to a 70 per cent load factor it is assumed that some Canadian capacity will be exchanged for additional energy.

TABLE 3

ESTIMATED POWER BENEFITS—1970—UNITED STATES AND CANADA[1]

	Project	Share of Increase in Average Annual Usable Energy in Kilowatt Years	Secondary Energy Previously Existing — Which is "Firmed Up" —Kilowatt Years[2]	Total Increase in Prime Energy in Kilowatt Years	Share of Increase in Dependable Capacity in Kilowatts
Canada	High Arrow	484,000	0	484,000	771,000
	Duncan	75,000	0	75,000	145,000
	Mica storage	204,000	0	204,000	394,000
	Total	763,000	0	763,000	1,310,000
United States	High Arrow	484,000	161,000	645,000	771,000
	Duncan	75,000	63,000	138,000	145,000
	Mica storage	204,000	155,000	359,000	394,000
	Total	763,000	379,000	1,142,000	1,310,000

Other power benefits are realized by the United States at the Libby project and downstream in the United States from Libby, and by Canada at the West Kootenay reach in Canada downstream from the Libby and Duncan lake reservoirs.

[1] This table is an expansion of a table appearing in the "Analysis and Progress Report" issued by the United States Columbia river negotiators on 19 October 1960.

[2] There is no additional energy in this column for the United States as a result of the construction of the Canadian storage. What happens is that energy presently available but not sure at worst possible flow conditions becomes sure at all times, i.e. "firmed up".

TABLE 4

ESTIMATED BENEFITS AND COSTS OF ONE POSSIBLE PLAN OF DEVELOPMENT FOR THE COLUMBIA RIVER IN CANADA[1]

Project[2]	Project Investment Cost— $Millions	Transmission Investment Cost— $Millions	Total Investment Cost— $Millions	Annual Power Benefits at Loads— Billions of KWH (70% load factor)	United States Flood Control Payments $Millions
Canal Flats diversion and Calamity Curve project	38.8	10.5	49.3	1.007[4]	0
Mica generation	85.0	205.5	290.5	6.938	0
Mica D/S benefits from the United States	247.2	30.1	277.3	1.938[5]	1.2
Downie creek	148.2	118.8	267.0	3.653	0
Revelstoke canyon	122.1	52.9	175.0	2.488	0
Arrow lakes D/S benefits from the United States	71.8	81.4	153.2	4.194[5]	52.1
Duncan lakes D/S benefits from the United States	25.6	2.3	27.9	0.724[5]	11.1
Extensions to West Kootenay and Pend Oreille area generation	115.0[3]	50.4	165.4	4.374	0
Murphy creek	93.8	11.6	105.4	1.770	0
TOTALS	947.5	563.5	1,511.0	27.086	64.4[6]

[1] All projects listed benefit either directly or indirectly from the Columbia river treaty.

[2] Listed in downstream order.

[3] Includes estimated cost of Libby flowage in Canada.

[4] Includes estimated benefits of Canal Flats diversion realized at downstream plants on the Columbia river in Canada.

[5] Estimates of downstream benefits for the year 1970.

[6] This total does not include "on call" payments, the total of which is expected to be $7.5 million.

TABLE 5

FLOOD CONTROL PAYMENTS BY THE UNITED STATES[1]

Project	Payment Made at Commencement of Operation	Value of Payment when Invested in Columbia River Projects (5½% Interest and 50 Yr. Amortization Period)
	$	$
High Arrow lakes	52,100,000	153,800,000
Duncan lakes	11,100,000	32,800,000
Mica storage	1,200,000	3,600,000
Totals	64,400,000	190,200,000

[1] Payment for primary flood control only, no payment included for secondary flood control requirements.

TABLE 6

The assumptions used in the calculations for the attached table (which in most respects are less favourable to Canada than is likely in fact to be the case, especially in relation to numbers 2, 6 and 8) are as follows:

(1) High Arrow lakes completed or partially completed by 1965; Duncan lake completed by 1966; Libby completed by 1967; extensions to the Consolidated Mining and Smelting generation facilities in the West Kootenay area completed in 1969 and further facilities (the canal plant) completed in 1970.

(2) No market in the United States for surplus Canadian downstream benefits.

(3) Power sales in Canada made at 4.0 mills per kilowatt hour.

(4) An 8 per cent annual load growth in British Columbia. This is based on load forecasts excluding special industrial loads such as Kitimat.

(5) An interest rate of 5½ per cent applied to both construction costs and accumulated operating benefits or deficits.

(6) No co-ordination agreement with the United States and thus a continuing annual charge of $1.50 per kilowatt for downstream capacity benefit stand-by transmission.

(7) Capacity benefits traded for energy benefits at the rate of 1.65 kilowatts of capacity for 1.00 kilowatt years of energy, giving an end result at a 70 per cent load factor.

(8) An average reduction in downstream benefits of 100 million kilowatt hours annually in the 1970 to 1985 period and a reduction of 169 million kilowatt hours annually in the 1986 to 2010 period.

FINANCIAL ANALYSIS OF CANADIAN BENEFITS FROM ARROW LAKES, DUNCAN LAKE AND THE KOOTENAY EXTENSIONS BELOW LIBBY[1]

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Year	Projects Completed	Incremental Power Sales In B.C. KWH × 10^9	Incremental Power Revenues at 4.0 Mills Per KWH	Flood Control Revenues	Total Revenues	Project Annual Cost (5½% Int.)	Transmission Annual Cost [3] (5½% Int.)	Total Annual Costs (5½% Int.)	Net Annual Revenue	Accumulated Net Revenue To Date	Annual Profit On Net Revenues (5½% Int.)
			$ Million	$ Million	$ Million	$ Million	$ Million	$ Million	$ Million	$ Million	$ Million
1965	Arrow Lakes	0.288	1.152	52.100	53.252	4.670	6.592	11.262	41.990	41.990	2.309
66	Duncan Lake[2]	1.361	5.444	11.100	16.544	6.892	6.888	13.780	2.764	47.063	2.588
67		2.434	9.736	0	9.736	6.892	7.183	14.075	−4.339	45.312	2.492
68		3.691	14.764	0	14.764	6.892	7.710	14.602	0.162	47.966	2.638
69	Exts. in West Kootenay	5.041	20.164	0	20.164	7.463	8.159	15.622	4.542	55.146	3.033
1970	Canal Project	6.543	26.172	0	26.172	10.239	9.950	20.189	5.983	64.162	3.529
71		6.995	27.980	0	27.980	10.239	9.924	20.163	7.817	75.508	4.153
72		6.895	27.580	0	27.580	10.239	9.898	20.137	7.443	87.104	4.791
73		6.795	27.180	0	27.180	10.239	9.872	20.111	7.069	98.964	5.443
74		6.695	26.780	0	26.780	10.239	9.846	20.085	6.695	111.102	6.111
75		6.595	26.380	0	26.380	10.239	9.820	20.059	6.321	123.534	6.794
76		6.495	25.980	0	25.980	10.239	9.794	20.033	5.947	136.275	7.495
77		6.395	25.580	0	25.580	10.239	9.768	20.007	5.573	149.343	8.214
78		6.295	25.180	0	25.180	10.239	9.742	19.981	5.199	162.756	8.952
79		6.195	24.780	0	24.780	10.239	9.716	19.955	4.825	176.533	9.709
1980		6.095	24.380	0	24.380	10.239	9.690	19.929	4.451	190.693	10.488
81		5.995	23.980	0	23.980	10.239	9.664	19.903	4.077	205.258	11.289
82		5.895	23.580	0	23.580	10.239	9.638	19.877	3.703	220.250	12.114
83		5.795	23.180	0	23.180	10.239	9.612	19.851	3.329	235.693	12.963
84		5.695	22.780	0	22.780	10.239	9.586	19.825	2.955	251.611	13.839
85		5.632	22.528	0	22.528	10.239	9.560	19.799	2.729	268.179	14.750
86		5.463	21.852	0	21.852	10.239	9.516	19.755	2.097	285.026	15.676
87		5.294	21.176	0	21.176	10.239	9.472	19.711	1.465	302.167	16.619
88		5.125	20.550	0	20.500	10.239	9.428	19.667	0.833	319.619	17.579
89		4.956	19.824	0	19.824	10.239	9.384	19.623	0.201	337.399	18.557
1990		4.787	19.148	0	19.148	10.239	9.340	19.579	−0.431	355.525	19.554
1991[4]		4.618	18.472	0	18.472	10.239	9.296	19.535	−1.063	374.016	20.571[4]

NOTES: [1] This analysis does not include Mica which, in addition to its substantial downstream benefit advantage under the treaty will make possible very large power production in Canada.

[2] Cost of Libby flowage in Canada added in 1966.

[3] Annual transmission costs include the $1.50 per k.w. paid to U.S. for stand-by downstream benefit transmission.

[4] Interest on accumulated benefits has exceeded annual costs at this point. Interest will continue to increase and costs will continue to decline from here on. The profitability of the projects is thus assured. Substantial power benefits will continue to be derived.

HOUSE OF COMMONS

Thursday, January 19, 1961

The house met at 2.30 p.m.

VACANCY

Mr. Speaker: I have the honour to inform the house that consequent upon the notification of a vacancy in the representation given in this house on Wednesday, January 18, 1961 by the hon. member for Trinity-Conception (Mr. Tucker), and pursuant to section 10 of the House of Commons Act, I have addressed my warrant to the chief electoral officer for the issue of a new writ of election for a member in the electoral district of Kings.

POWER

COLUMBIA RIVER—TABLING OF REPORT OF NEGOTIATORS

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I should like to table copies of the report of the negotiators appointed to negotiate a treaty with the United States for the co-operative development of the Columbia river. It is a very short report, and if hon. members wish it might be printed as an appendix to *Hansard* or reproduced in *Votes and Proceedings.*

I should mention that a copy of the treaty which the negotiators recommended was attached to the original report. I am not attaching a copy because the treaty itself has already been tabled in the house.

Mr. Speaker: Is it the wish of the house that the report tabled by the Minister of Justice be printed as an appendix to *Hansard* of today?

Some hon. Members: Agreed.

[*Editor's note: For text of document above referred to, see appendix.*]

EXTERNAL AFFAIRS

COLOMBO PLAN—ANNOUNCEMENT RESPECTING ASSISTANCE TO INDIA

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I have a brief announcement to make concerning assistance to India under the Colombo plan. Out of the $50 million appropriated for Canada's participation in the Colombo plan for the fiscal year 1960-61, an amount of $25 million has been allocated for capital assistance to India.

Discussions have been proceeding with the Indian government on the projects which might be financed out of this grant. I am now in a position to inform the house that Canada has agreed to provide the following economic assistance to India under our Colombo plan program for 1960-61: Wheat to the value of $7 million; aluminum, copper and nickel to the value of $11.7 million; a final allocation for completion of the Canada-India atomic reactor in the amount of $600,000; an initial allocation of $3½ million for stage 3 of the Kundah hydroelectric project.

Our agreement to these allocations brings Canadian Colombo plan assistance to India already approved under 1960-61 appropriations to a total of $22.8 million.

The wheat has already been shipped in order to have it cleared from Canadian ports before freeze-up on the St. Lawrence seaway. Arrangements are being made to have the non-ferrous metals shipped without delay.

As is the usual practice in the case of commodities, the Indian government has agreed to set aside counterpart funds in local currency equivalent to the value of the Canadian grant. These counterpart funds will be spent on economic development projects in India to be agreed upon between the two governments. The Canadian wheat will of course be most helpful to India in meeting the food requirements of her growing population which cannot be met from local sources. The metals will assist Indian industry to maintain production and enable development plans to go forward in the face of an acute shortage of foreign exchange.

The Canada-India atomic reactor near Bombay has now been completed, and the Minister of Veterans Affairs represented Canada at the inaugural ceremonies which were held on January 16. The allocation of $600,000 to this project in the current fiscal year is required to cover final expenditures on the Canadian share of the cost of the reactor.

Canada's participation in stage 3 of the Kundah hydroelectric project in Madras state represents a continuation of Canadian interest in this major Indian development scheme, since we have already made a substantial

contribution to stages 1 and 2. The first two stages were formally inaugurated yesterday, January 18, and the Minister of Veterans Affairs also represented Canada at these ceremonies. Additional power from the Kundah project is urgently required for agricultural and industrial development in south India. Canada has, therefore, agreed to provide Canadian equipment, material and engineering services representing the foreign exchange costs of the third stage of Kundah.

This year's allocation of $3.5 million will cover the first instalment of the Canadian contribution and, subject to the appropriation of funds by parliament, further allocations will be made in future years up to an estimated total of $22 million. In addition, Canada has agreed that India should use counterpart funds to the equivalent of $25 million, accruing from the sales of Canadian commodities previously provided to India, to defray the local costs of the Kundah scheme.

Hon. Paul Martin (Essex East): Mr. Speaker, the announcement made by the minister has to do, of course, only with assistance given by Canada to India under the Colombo plan. I presume from what the minister has said that India continues to be the largest beneficial recipient of Canadian assistance under the Colombo plan.

Mr. Green: Yes. India gets one half.

Mr. Martin (Essex East): That has always been the situation and that continues to be the situation—

Mr. Green: No.

Mr. Martin (Essex East): —largely because India was among the first of the recipients, along with Ceylon and Pakistan.

The minister has referred to a number of forms of assistance some of which, like the atomic reactor at Bombay and the hydro-electric project in Madras state, are continuing projects. Significance will be attached to the continuing assistance in respect of the atomic reactor, which was participated in by Canada on an equal basis with India, at a time when assistance was being given by the United States in the establishment of atomic installations in the Philippines. This is further evidence, of course, of Canada's interest in helping certain countries which require this assistance. In this way we are making a constructive contribution to the friendly relations that we hope will prevail among all nations.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the statement made by the minister was interesting and, of course, welcome to the house, although there was nothing particularly new in it by way of new policy or different policy. It was merely an outline of the way policy announcements, made on previous occasions, are being carried out. I am sure that every member of this house, and every Canadian, will support this kind of policy to help our sister nation in the commonwealth, and by this means assist the growth of democracy in that area and lift the living standards in India.

I just want to say, speaking for this group, that I think the government should raise its sights and consider a very great expansion of Colombo plan funds for this kind of program. The minister has said some $7 million worth of wheat is to be shipped to India. He did not tell us how many bushels that would represent, but I assume it would be somewhere in the neighbourhood of four million bushels. He said this was to take care of needs that could not be provided locally.

I remind the minister that the United States is doing much more for India in this way. There is an agreement whereby the United States will provide some 146 million bushels of wheat a year under a loan-gift plan. I would suggest that Canada should raise its sights. To do this would help India strengthen democracy and would help take up the slack in our own economy.

PRIVILEGE

MR. HARDIE—REFERENCE TO TELEVISION STATEMENT BY PRIME MINISTER

Mr. M. A. Hardie (Mackenzie River): I rise on a question of privilege, Mr. Speaker. Last night on a nation-wide T.V. program "The Nation's Business" the Prime Minister made the following statement:

> In the Yukon and Northwest Territories, projects have become realities which were glibly dubbed as merely visionary a few years ago. Four thousand miles of access roads and two thousand miles of development roads are being built to tap new and known resources which otherwise would be delayed for years.

Some hon. Members: Hear, hear.

Mr. Hardie: My question of privilege, Mr. Speaker, is this. The Prime Minister in this statement is misleading the Canadian people.

Mr. Speaker: Order. If the hon. member claims as a question of privilege the fact that he does not agree with a statement made by the Prime Minister, I think he is extending the question of parliamentary privilege far beyond what was ever intended. The statement, so far as the words which the hon. member has read are concerned, does not seem to me to involve any of the privileges of any of the members of the house or of the house itself. Any member is at liberty to make a statement outside the house. If an hon. member disagrees with what is

said, and it does not involve him personally, then that is a matter for debate, not a question of privilege.

Mr. Hardie: Mr. Speaker, I do not disagree with the statement except that the facts represented to the people are not true.

Mr. Speaker: That, as I have already told the hon. member, in my opinion, does not involve a question of privilege.

Right Hon. J. G. Diefenbaker (Prime Minister): I do not propose to raise a question of privilege, Mr. Speaker, on the statement by the hon. member. I simply say the hon. gentleman took advantage of this house and its privileges to make the statement that the ideas I advanced were misleading. They were factual.

Mr. Speaker: The hon. member has raised his question of privilege, the member concerned has commented on it, and if there is anything further to be said I suggest that it be said in the way of debate at the appropriate time.

Mr. Hardie: Closure.

Mr. Speaker: Order. The hon. member will have to withdraw that word because it is a reflection on the Chair, and that is something that cannot be permitted.

Mr. Hardie: Mr. Speaker, I am sorry that I made this reflection on the Chair. However, after my question of privilege was ruled out of order by Your Honour I think the Prime Minister had no right to make the statement he made.

Some hon. Members: Withdraw.

Mr. Speaker: I take it that the hon. member has expressed his regret at having used the word and that we can consider the matter closed.

HOUSE OF COMMONS

PERSONNEL OF SELECT COMMITTEE TO CONSIDER GREATER DISPATCH OF BUSINESS

Mr. John Pallett (Parliamentary Secretary to the Prime Minister) moved:

That the select committee on procedure appointed January 18, 1961 be composed of Miss Aitken and Messrs. Argue, Churchill, Crestohl, Fulton, Flynn, Macquarrie, McCleave, McGee, McIlraith, Meunier, Pallett, Pickersgill, Rea and Ricard.

Motion agreed to.

LABOUR CONDITIONS

UNEMPLOYMENT—REPORTED STATEMENTS BY PRIME MINISTER ON TELEVISION PROGRAM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he can confirm to the house a statement he made over the air last night, namely that unemployment has been less in comparative terms in Canada than in the United States of America. If so, would he give us his basis of calculation in making that statement?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, any time the hon. gentleman wishes to debate this question he may do so, but a question such as this one on the orders of the day is improper.

Mr. Hellyer: Just give us the facts.

Hon. Paul Martin (Essex East): In view of the reply just given by the Prime Minister and the reply he gave yesterday to a question of mine, may I ask him this question. Is he not aware that the system of measurement employed in the United States is that employed in Canada, both systems conforming to the recommended standard of the international labour office?

Mr. Diefenbaker: If the hon. gentleman had studied the matter a little bit more carefully than his question would now indicate, he would realize the fact that in the United States there are differences and they are of great importance. In addition to that fact there is in the United States a call-up which takes from the labour pool men for service in the armed forces.

Mr. Martin (Essex East): Is the Prime Minister not aware of the fact that the system employed in Canada and in the United States is that recommended by the international labour office, which means that both systems are identical?

Some hon. Members: Order.

Mr. Grafftey: Wrong again.

Mr. Martin (Essex East): That is the truth; and you added yesterday—

Some hon. Members: Order.

Mr. Speaker: This seems to me to be a subject of debate, and I suggest that it might be pursued at the appropriate time.

[*Later:*]

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in view of the position taken by the Minister of Finance and his parliamentary secretary that there is no recession, would the Prime Minister explain what he meant last night when he talked about the recession which we are in, which could have been foreseen in 1957?

Mr. Diefenbaker: Mr. Speaker, I must say that I have never had a greater tribute paid

to me by the opposition than today. It indicates that what I said last evening, for the purpose of giving the Canadian people the facts, has hurt the hon. gentlemen.

ELLIOT LAKE, ONT.—INQUIRY AS TO REPORTED EVICTION NOTICES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Public Works may I direct a question to the Minister of Labour. Has the minister or his department received reports that unemployed people are being sent notices of eviction from their homes in Elliot Lake because of their inability to keep up their mortgage payments?

Hon. Michael Starr (Minister of Labour): I have received no such reports, Mr. Speaker.

(Translation):

LOW RATIO OF SUMMER JOBS GIVEN TO QUEBEC STUDENTS BY THE FEDERAL GOVERNMENT

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Secretary of State.

Is the minister aware of an article published in today's issue of *Le Devoir* concerning the small number of summer jobs made available to the students of the province of Quebec? Could the minister also inform us whether the government intends to take action in order to correct this situation?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, the article referred to by my hon. friend has come to my attention. I must say that in general the various departments try to deal in all fairness with French-Canadian students and meet, as far as possible, the requirements of the various universities.

(Text):

UNEMPLOYMENT—REFERENCE TO NEW YORK SPEECH BY FINANCE MINISTER

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether I could ask the Minister of Finance if he succeeded in convincing his audience in New York yesterday that the Americans were to blame for unemployment in Canada?

Mr. Speaker: Order. I am sure the minister would not hesitate to reply, but it seems to me the question is hardly appropriate.

Mr. Pickersgill: Nor was the speech.

[Mr. Diefenbaker.]

COAL

NOVA SCOTIA—REQUEST FOR MEETING WITH UNION REPRESENTATIVES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to ask a question of the Minister of Mines and Technical Surveys arising out of the reported continuing lay-offs in the coal mines of Nova Scotia. Is the minister in a position to inform the house whether he has received a request from the representatives of the united mine workers union, district 26, to meet with him on this important subject, and will the minister say whether he will meet with this delegation some time today?

An hon. Member: Keep up to date; they are in the gallery.

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, if the member for Assiniboia (Mr. Argue) would look in the gallery, he would see them all there.

An hon. Member: He would not recognize them.

Mr. Comtois: I will be very pleased to see them in my office right after the question period.

Mr. Argue: Since the welcome delegates are in the gallery, I wonder if the minister can give them some assurance that he will have a policy to present to them to maintain employment in the coal mines, as the government has promised.

Mr. Comtois: Mr. Speaker, the hon. member has too much experience not to know that his question is out of order.

Mr. Argue: It is very much in order.

THE CENSUS

FORM OF QUESTION RESPECTING RACIAL ORIGIN

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister and ask him whether he is aware of a unanimous resolution passed by the legislative assembly of the province of Quebec asking that the printed words "Canadian" and "American" as racial origins be removed as a possible answer to question 10 of the forthcoming census; and what action does the government intend to take with reference to it, if any?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as to the first part of the question the answer is in the affirmative. As to the second part, government

policy, as the hon. gentleman knows, is announced when it is considered appropriate to do so.

Mr. Chevrier: Mr. Speaker, may I ask a supplementary question of the Prime Minister and inquire whether, when the Associate Minister of National Defence was speaking recently at Chicoutimi he was giving the views of the government when he said—

Some hon. Members: Order.

Mr. Chevrier: —that the absence of the names of countries of French origin as a possible answer to question 8 of the forthcoming census was an unpardonable anomaly?

Mr. Diefenbaker: Mr. Speaker, I have not seen the quotation referred to and I do not intend to make any observations on a statement that is uncorroborated.

Mr. Pickersgill: It was just in the press.

[*Later:*]

Mr. Maurice Bourget (Levis): Mr. Speaker, I wish to direct a question to the Prime Minister, and ask if he can inform the house whether the government has decided to appoint a committee of experts to study the possibility of removing the printed word "Canadian" as a racial origin as an answer to question No. 10 in the forthcoming census, as reported in last night's issue of *Le Droit.*

Mr. Speaker: Order. The hon. member perhaps did not hear an earlier question on the same subject matter which, if I am not mistaken, covered the same ground.

Mr. Bourget: I think this is a very different question from the one asked by the hon. member for Laurier. My question has to do with the formation of a committee of experts who will study the question of removing that word as an answer to question No. 10.

Mr. Diefenbaker: The same answer applies as to the earlier question, Mr. Speaker. Government policy in this regard will be announced when it is considered proper to do so.

EXTERNAL AFFAIRS

INDIA—PROTEST OVER REPORTED TREATMENT OF CANADIAN STUDENTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I made a promise to an indignant young lady who came to my office this morning—

Some hon. Members: Order.

Mr. Herridge: —and in view of my promise I ask this question. It is a somewhat borderline case, and I throw myself on your mercy, Mr. Speaker. My question is based on a newspaper report in today's *Globe and Mail* on page 4 under the headline:

Ontario Youth Involved. Claims Insult by U.S. Biologist Stages Fast.

In this report Professor Haldane is reported to have planned to introduce two young students, two young Canadians, to Indian scientists at a dinner, but when he went to get them at their hotel they told him United States information agency officials had forbidden them to attend and had insisted that they dine with an American.

Mr. Speaker: Order. I know that the responsibilities of the Secretary of State for External Affairs are very broad, and if he wants to encompass Mr. Haldane's dinner party in his administrative responsibilities I will not prevent him from answering, but it seems to me it is scarcely a matter under the responsibility of the minister.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, if the hon. member for Kootenay West will read this article again—if he has in fact already read it, which I doubt—he will find that the heading is not to be interpreted the way he is interpreting it. It reads:

Ontario Youth Involved

Then there is a larger heading:

Claims Insult by U.S., Biologist Stages Fast

According to my reading of this it was not the Ontario youth who was insulted but an Indian citizen who claimed to have been insulted by United States officials. This so-called insult, if it was an insult, was to a Professor J. D. S. Haldane who is the former chairman of the editorial board of the *Daily Worker,* the organ of the British communist party in the United Kingdom, which fact is mentioned in this same article. Professor Haldane went to India and took out Indian citizenship. It is the professor who claims to have been insulted and not the Ontario youth at all, so where we fit into the picture I do not understand.

Mr. Herridge: I want to say—

Mr. Grafftey: The hon. member is getting senile.

Some hon. Members: Question.

Mr. Herridge: —I quoted the heading of a Conservative newspaper.

LAOS—REASSEMBLING OF SUPERVISORY COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs a question arising out of a statement in a Reuter's dispatch attributed to the Prime Minister of India, which appeared in last night's Ottawa *Journal,* to the effect that Great Britain was the only country which had agreed to the reactivation of the international supervisory commission. I ask this question in the light of the statement made by the minister on Monday last.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, it would be improper for me to comment on the report of a statement made by the Prime Minister of India. I do say this, however; that each of the countries concerned with this crisis has its own view as to the conditions under which the commission should be reconvened. I set out the Canadian point of view in my statement on January 16, which the hon. member will find at page 1062 of *Hansard.* What we are hoping will be arranged is that the two co-chairmen of the Geneva conference, namely the United Kingdom and the Soviet union, will ask that an exploratory mission be sent to Laos in an endeavour to obtain the consent of the Laotian king to the commission undertaking certain efforts in Laos designed to help bring about peace in that unfortunate country. Negotiations are still under way, and I am very hopeful that something of this kind can be worked out.

(Translation):

TRANSPORT

MONTREAL—BILINGUAL BILLBOARDS AT INTERNATIONAL AIRPORT

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to put a question to the Minister of Transport. Could the minister inform the house whether representations have been made to airlines and lessees operating at the Montreal international airport, in order that their signs or billboards be bilingual?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, all lessees have officially been requested to follow the example of the Department of Transport which has fully respected bilingualism at the Montreal airport and, in addition, verbal representations were made to those concerned. I am pleased to report that up to now results have been most satisfactory.

(Text):

PRODUCTIVITY COUNCIL

INQUIRY AS TO PROBABLE DATE OF SETTING UP

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in view of the great importance attached to the matter by the government, may I ask the Prime Minister if he can give to the house any information about the probable date for the setting up of the council on productivity?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that is under way at the present time. Naturally we are endeavouring to secure the best possible men and women for that council. We are considering the names not with regard to area or region, but are seeking to appoint those who in our opinion could best contribute to the discharge of the very important and heavy responsibilities attendant on the membership of that council.

INDIAN AFFAIRS

REQUEST FOR INCREASE IN MEDICAL FEES

On the orders of the day:

Mr. J. N. Ormiston (Melville): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. Would his department be prepared to review its scale of fees paid to private practitioners for medical services supplied to Indians on its behalf, and consider an increase in these rates?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, this scale of fees is being studied at the present time.

CANADIAN BROADCASTING CORPORATION

HOCKEY—REQUEST FOR FULL COVERAGE OF SATURDAY EVENING GAMES

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of National Revenue and ask him if he would convey to the management of the Canadian broadcasting company the desire of many Canadians to have all the periods of the hockey games broadcast and televised on Saturday nights.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, the minister spends half his time in conveying to the corporation the wishes and prejudices of the

Canadian public with respect to the programs of the C.B.C. I shall be very happy to convey to the corporation this request, which is not original; and I should also appreciate some constructive suggestions from the hon. member as to where the C.B.C. will obtain funds to replace those lost through the cancellation of those programs which would have to be cancelled during this period.

UNITED NATIONS

CONGO—REPORTED BEATING OF MR. LUMUMBA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs, which question originated in the mind of the hon. member for Kootenay West. I apologize for not sending him notice. My question is based on a headline in today's *Globe and Mail,* which headline I trust is correct:

U.N. Troops Look On As Lumumba Beaten By Katangan Police

In view of the fact that the Canadian government quite properly protested most vigorously the beating of Canadian troops by South Congo troops—I think at the time termed "Lumumba troops"—has the Canadian government protested against the beating of Mr. Lumumba while United Nations troops looked on, which is an injustice according to our approach to life?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker, there has been no protest launched. It would keep us very busy if we were to protest all the beatings which take place in the Congo. I agree with the hon. member that it was an unfortunate incident.

TRANSPORT

INQUIRY AS TO REPORTS OF C.N.R. AND T.C.A.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport, and ask him when he expects to table the annual reports of the Canadian National Railways and Trans-Canada Air Lines.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am sorry I cannot give the exact date, but I will let the hon. member know tomorrow.

Mr. Chevrier: A supplementary question, Mr. Speaker. Does the minister propose proceeding with the setting up of the special committee that deals with the accounts of those two crown corporations although the annual reports will not have been tabled?

Mr. Balcer: Of course not, Mr. Speaker. We will form the committee and they will start sitting when the two reports are tabled.

GRAIN

FEED MILL AGREEMENTS WITH WHEAT BOARD

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to address a question to the Minister of Agriculture, or in his absence to the parliamentary secretary. Could he tell us how many feed mills in the wheat board area have now completed agreements with the Canadian wheat board, enabling them to purchase grains outside the normal quota established for deliveries of grain? Could he also tell us whether this trade is confined to provincial boundaries? Will those mills entering into agreements be required to submit statements showing the extent of their purchases and sales of grain and grain products?

Mr. Speaker: Order. If the hon. member had given notice he might have received an immediate answer. Otherwise, that type of question is much more appropriately put on the order paper, because it obviously requires some preparation and research in order to be answered.

REQUEST THAT FEED MILLS BE RETURNED TO WHEAT BOARD JURISDICTION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, yesterday I asked the Prime Minister a question regarding a statement made earlier that action would be taken by the government if evidence was submitted showing that grain prices had reached a distress level in relation to purchases by feed mills. The Prime Minister replied that he had not at that time received a report from the national farmers' union. My question now is, has this report been brought to the attention of the Prime Minister? Has a further report which I received a few hours ago, pointing out a further distress price, also been brought to the Prime Minister's attention?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, upon my return to my office yesterday I found that the first report in question was on my desk. I think it was dated January 16.

Mr. Argue: January 13.

Mr. Diefenbaker: However, the hon. gentleman is ahead of me on the other one which he has just received. Apparently the report is sent to him before it is forwarded to me, or his mail service is better than mine.

Mr. Argue: Since the Prime Minister has now received the report, may I ask him what action the government is contemplating on the evidence put forward?

Mr. Speaker: Order. The hon. member is asking for an expression of the government's policy. As the Prime Minister has already pointed out today, it is not normally declared on the orders of the day.

Mr. Argue: If I may put it this way, what action is the government considering in the light of the statement made by the Prime Minister in this regard on December 22?

Mr. Speaker: The effect is the same. Of course if the Prime Minister wishes to answer he may do so, but I regard the question as one which asks for a declaration of policy.

HOUSING

REFERENCE TO REPORTED SPEECH AT MEETING OF HOUSE BUILDERS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I should like to direct a question to the Minister of Finance arising from a speech made by Mr. John R. Campbell at a meeting of Canadian house builders being held in Montreal at the present time, in which he is reported to have said:

> More than $31 million in new money for housing has already been produced through a secondary market for securities backed by N.H.A. mortgages—

We know that this matter has been the result of about six years of negotiation. The article goes on to state, and this is the basis for my question:

> One snag to the plan is finance minister Fleming's "baby budget" restriction on the flow of United States funds into Canada—

In view of the importance of this matter would the minister care to comment on it?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I do not think any comment on this statement is called for. It happens to be a statement made by an individual concerning a matter in which he is evidently interested. He is not speaking for the government or declaring government policy in any sense.

POST OFFICE DEPARTMENT

INQUIRY AS TO LETTERS CONTAINING UNCANCELLED STAMPS

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Postmaster General. According to sections 209(e) and 553 of the postal rules and regulations, letters which contain uncancelled stamps must be treated as first class mail and stamped accordingly. Can the minister explain how thousands of letters sent out by *Reader's Digest*—and I have received one myself—containing uncancelled stamps, as is indicated by the window on the envelopes, have been accepted as second class mail and charged accordingly?

Hon. W. M. Hamilton (Postmaster General): As I remember them, the rules prohibit the giving of a legal opinion in this house and the asking for it. However, I shall be glad to look into the matter which has been raised.

INTEREST ACT

AMENDMENT TO PLACE CEILING ON INTEREST RATES

Mr. Hazen Argue (Assiniboia) moved the second reading of Bill No. C-3, to amend the Interest Act.

He said: This bill, Mr. Speaker, is not a new one in this house. As a matter of fact I have moved this kind of bill now every year since about 1954. After having presented this proposition to parliament in the years immediately prior to 1956 I was able to get a great deal of support across the nation and a good deal of support from members of parliament, and as a result of growing public opinion at that time the government of the day took some steps toward controlling the interest rates charged by small loans companies on particular loan arrangements.

This is a very important question. It is something that affects hundreds of thousands of Canadians, and it would be of benefit to the thousands of families and the tens of thousands of people in this country who are on very low incomes.

The purpose of the bill, Mr. Speaker, is very simple. It would set by law—

Mr. Speaker: I wonder whether I might interrupt the hon. member and ask for better attention. There is a great deal of conversation and shuffling going on while the house settles down to debate. I hope hon. members will give their attention to the hon. member who has the floor.

Mr. Argue: Mr. Speaker, I was saying the purpose of the bill is very simple. It would provide a statutory limit of 12 per cent on all interest rates charged in this country. As I was saying, in 1956 parliament took action to control within a certain range the interest rates set by small loans companies. The area of control affected by the measure of that day was all loans made by small loans companies up to a maximum of $1,500, and the

limits on the interest rates were set as follows, as found in the act:

> The cost of a loan shall not exceed the aggregate of
>
> (a) 2 per cent per month on any part of the unpaid principal balance not exceeding $300,
>
> (b) 1 per cent per month on any part of the unpaid principal balance exceeding $300 but not exceeding $1,000, and
>
> (c) One half of one per cent per month on any remainder of the unpaid principal balance exceeding $1,000.

By this means there was a reduction in the interest rates that might be charged by small loans companies. Even with these changes in the interest rates, however, the business of the small loans companies has flourished. Business done by small loans companies in 1956 amounted to $343 million, and loans outstanding by small loans companies in September of last year amounted to $490 million. So, although there was a slight reduction in interest rates, these companies have flourished, have increased their business and have in no way been harmed by the measure that was passed at that time.

As the years have gone by the effect of this particular measure has been lessened because more and more small loans companies are going into the field of loans in excess of $1,500, and a small loans company making a loan in excess of $1,500 is able to charge any interest rate set forth by agreement, because loans larger than $1,500 do not come under the provisions of the act of parliament.

One of the purposes, therefore, of this particular measure is to bring under control all interest rates charged by small loans companies, and not leave control merely within the area up to $1,500. The whole purpose of the bill, of course, is much broader than this. It would apply to lending rates and interest charges by any loan company, by any firm providing instalment credit or by any individual making a loan.

The field of personal credit is exceedingly important in this country, is exceedingly large and is steadily growing. According to the Bank of Canada statistical summary for September, 1960 the total amount of money now on loan to consumers by finance companies and retail dealers comes to $2,253 million. For quite a period during 1956 and 1957 the amount of instalment or consumer credit in this country was relatively stable, but since 1957 there has been a steady, increasing growth in consumer credit. In 1957 credit in this field amounted to $1,968 million. In 1958 the figure was $2,030 million, in 1959 $2,205 million and in September, 1960, the latest figure available, $2,253 million.

Therefore the area of credit to which the bill would apply is steadily growing and is likely to continue to grow in the future, I suggest, even though we are in a very serious recession at the present time. I think the fact of the matter is that many people who have very little money and very little income are forced in such circumstances to go to small loans companies; therefore business in this particular field may increase at a time when there is very widespread unemployment.

The bill would apply to all the major fields of consumer credit. It would apply to credit obtained when financing automobiles. The general rate of interest charged on automobile financing is in the neighbourhood of 16 per cent to 19 per cent. These are the rates charged by the ordinary acceptance corporations doing business in this field. However, there are other fringe companies, smaller companies, fly by night companies, that are charging much higher rates, some of them fabulous and extortionate, and I will refer to this later.

The bill would apply to all instalment credit provided by retail firms doing business on an instalment basis. This is a very important part of credit in Canada, and it is running now in the neighbourhood of $258 million. Companies that sell goods on instalment credit are allowed by law to charge any interest rate they wish to apply to the particular purchase that is made. These interest rates range anywhere from 20 per cent to 50 per cent or more. Some of the large mail order houses in this country, Eaton's, Simpsons-Sears and others, very frequently charge rates of 15 per cent to 20 per cent, and the highest rate charged by Eaton's and Simpsons-Sears works out to 54 per cent per year, a fabulous rate for such reputable firms to be charging on this kind of credit.

Mr. Chown: Would the hon. member permit a question? Would he give the house the authority for the figures he has just cited with respect to interest?

Mr. Argue: With respect to Eaton's and Simpsons-Sears, I do that on my own responsibility. I happen to have made the calculation myself. I made it years ago and I have repeated the statement in the house on many occasions. The arithmetic has never been successfully challenged. I suggest to the hon. member that he get hold of Eaton's catalogue or Simpson's catalogue and do the arithmetic, and inform himself and the house whether my figures are correct. I used these figures on a television broadcast one night and counsel for Simpsons-Sears was on the telephone a few minutes later telling me all the things that were going to happen. I have never heard from them since, so I presume they checked these statistics too. These are facts.

I want to be fair. The very high rate to which I have referred applies on the smallest purchase that can be made on credit. It is not the rate on every purchase, but it is the beginning rate. I think it is a shame that consumers should have to pay such a high rate, and through this bill I am suggesting that consumers should not have to pay any rate in excess of a maximum of 12 per cent per year.

I hope the government will take action in this field, and I do not know why they have not done so before. Even when we were putting forward a similar bill from the opposition side of the house in earlier years when a Liberal government was in power, we got no assistance or support from the Conservative members of the day. The Liberal party has been a party of high interest rates. The Liberal party has resisted the efforts that we have made to bring down interest rates.

Mr. Martin (Essex East): That is not so.

Mr. Argue: My friend refers to Duncan MacTavish—

Mr. Martin (Essex East): No, I did not.

Mr. Argue: My friend behind me, not the hon. member for Essex East. I know he would not want to refer to Mr. MacTavish with respect to this matter at this time, because I am sure he would not want to be responsible for doing that. However, as I was saying, the Liberal party has resisted the efforts that we have made—

Mr. Martin (Essex East): That, of course, is not a fact.

Mr. Argue: —to bring down the maximum rate of interest to 12 per cent. I challenge the hon. member for Essex East to rise at the appropriate time and say how he stands on this question and how he would vote on this bill if it were brought to a vote.

Mr. Martin (Essex East): I have to catch a train this afternoon. I am going to my constituency, but I will deal with it right now.

Mr. Argue: All right.

Mr. Martin (Essex East): I want to say to my hon. friend that there is no one in this house who is a spokesman for the Liberal party who has castigated the government of the day for the high rate of interest—

Mr. Argue: How would you vote on this bill?

Mr. Martin (Essex East): I will make my own speech now that I have the floor.

Mr. Argue: No, you will not. Are you in favour of the bill or against it?

[Mr. Argue.]

Mr. Martin (Essex East): I want you to know that the Liberal party and the member for Essex East take second place to no party and to no man in this house in trying to arrange the financial burdens imposed on the Canadian people—

Mr. Speaker: Order.

Mr. Bell (Carleton): Answer the question instead of evading the issue.

Mr. Martin (Essex East): I have the floor.

Mr. Speaker: I am beginning to think the hon. member for Essex East has the floor and that the hon. member for Assiniboia has finished. I take it that was not the intention of either party and when the hon. member for Essex East was allowed to answer a question—

Mr. Martin (Essex East): On a point of order, Mr. Speaker, the hon. gentleman yielded the floor to the member for Essex East. Unless the member for Essex East is out of order, I do not believe anyone should interfere with his right to accept the opportunity which the hon. member for Assiniboia has given him. It is not open to anyone in this house, no matter what officer, to intervene on such an occasion. The only one who can withdraw my right is the member for Assiniboia, who can do so by complaining I am abusing the privilege he has extended. If he takes that position, then I will be prevented from making—

Mr. Speaker: I cannot see what the point of order is. If the hon. member for Essex East is claiming the floor, then I think I will have to give it to him although I did not recognize him. No member has the right to give the floor to another member. A member speaks on recognition by the Chair. Although the proceedings were somewhat irregular, they seemed to have been taken in good part and I do not propose to interfere with them unless a serious point is made of it.

Mr. Argue: I thank the hon. member for Essex East for carrying forward—

Mr. Martin (Essex East): I have not finished.

Mr. Argue: —our gentlemen's agreement. Since he is taking an undue length of time to reply to a simple question and has failed to give me an answer, under the rules I am obliged to resume my speech.

The hon. member for Essex East has said he takes second place to no one in his sympathy for the people who are paying high rates of interest. What he should have said was that the Liberal party takes second place, a very close second, to the Conservative party in being the party of high interest rates, a party that has successfully maintained high, extortionate interest rates in this country—

Mr. Henderson: That is not true.

Mr. Argue: —for many years. I have been saying that the Liberal party was a high interest party. But even that party, bad as it was and bad as it is, did give consideration to the bill we presented in this house in 1955 and 1956. They gave consideration to the proposition and sent it to the banking and commerce committee. While the members of the C.C.F. did not agree that the Liberals had gone far enough, they did go a considerable distance in the face of opposition from Conservative members in introducing a measure of control in the small loans field. But this government has not—

Mr. Pallett: Would the member indicate where this opposition to which he adverts took place?

Mr. Argue: The speaker will understand when I say the Minister of Finance was one member of the committee who ran interference for the small loans companies, but he was not alone.

Mr. Pallett: On a question of privilege, Mr. Speaker—

Mr. Speaker: The hon. member for Assiniboia has the floor.

Mr. Pallett: He has made a very serious charge. He has suggested the Minister of Finance ran interference in the committee, and that should be withdrawn immediately.

Mr. Speaker: If the hon. member is raising a point of order I will hear him. I understood he was simply disputing what the hon. member was saying.

Mr. Argue: I was there.

Mr. Pallett: So was I. The member is suggesting that the Minister of Finance, in a committee dealing with a certain reference some years ago, was running interference for the finance companies. Those are the words he used. I suggest they be withdrawn because they impute a motive or a course of conduct that is not in keeping with a member of this house.

Mr. Speaker: I doubt if there is any question of a breach of privilege there. Any member is entitled to espouse any cause he wishes in committee. I do not think there is any suggestion necessarily arising of improper conduct. If the hon. member is not satisfied I will reserve the point until the Minister of Finance is consulted. After all, he is the party concerned.

Mr. Argue: I was not imputing any improper motive to the Minister of Finance. I do not understand the thin skin of hon. members opposite—

Mr. Speaker: The matter might be considered disposed of; it is not a subject for debate under the bill.

Mr. Argue: I cannot understand the thin skin of members opposite—

Mr. Speaker: Order.

Mr. Argue: I am on another point altogether. I cannot understand the thin skin of members opposite when it comes to dealing with the question of the loan sharks, the racketeers, these people who have fleeced innocent Canadians by charging extortionate interest rates, thereby ruining the lives of many Canadians. I have ample evidence on my desk to support this statement, and I intend to refer to it. I do not understand, for the life of me, why the government does not take some action in this field. Why does the government allow interest rates which are legal—I am not questioning their legality—in this country but which are a disgrace to the nation? These interest rates have been and are being charged.

I have in my hand a copy of *Liberty* magazine for August, 1959. It contains a long story entitled "How Loan Sharks Put The Bite On". On page 58 an example is given of a Mr. and Mrs. Bert Thompson of Toronto, who paid $878.50 for a car they never owned. They made a down payment of $400 on the car and signed a contract to pay the rest at $36 a month. They paid $618 and had the car just six months. They then turned the car back because they were unable to meet their payments. The car was subsequently sold, and in spite of the large sum of money that had been paid, the Thompsons were left owing a balance of $262.50. I have not the time to give all the references in this article to this particular case, but it shows just what fabulous charges are made by some companies in this field.

I have in my hand an article that appeared in the *Globe and Mail* of April 28, 1960, entitled "Oakville Man Forced into Paying 87 Per Cent Interest on Second Mortgage". I ask hon. members opposite if they like this. I ask them if they are in favour of it. I ask them if they are opposed to this kind of legalized gangsterism. If they are, why do they not do something about it? The article goes on to say this:

> Reports of bonus payments for second mortgages in the Oakville-Trafalgar area brought to light yesterday the case of an Oakville man who was forced to pay effective costs of 87 per cent on a second mortgage for a three-year period.
>
> Three years ago, Edward Waddington went to his lawyer to make arrangements for the down payment on his new home. He had $2,000 in cash, and needed to raise $1,680 more on a second mortgage to make up the total required of $3,680.
>
> "When the mortgage came through, it was for $2,700," Mr. Waddington said, "bearing an interest rate of 6 per cent per annum."

"I thought when I got the papers that it was a typographical error," he continued, "that they had put down $2,700 instead of $1,700, but it wasn't."

Next month, when Mr. Waddington pays his final payment on his second mortgage, he will have repaid $3,186, or 187 per cent of the amount of money he actually got—$1,680.

Experts in the field of real estate report this fantastic cost for a second mortgage was probably not uncommon.

Are the members of the Conservative party in this house in favour of allowing a legal extortionate rate of 87 per cent, as in this example, to be continued in this country? *Liberty* magazine, the *Globe and Mail* and the Toronto *Daily Star* have all given a good deal of thought and publicity to this important problem. Pierre Berton had a series of articles in the Toronto *Star* in May of 1960. I have an example that I should like to put on the record, and I think it shows just how far some of these gangsters are prepared to go in extorting heavy charges from unsuspecting people. On May 2, 1960 Pierre Berton had this to say in part in one of his articles:

When he—

That is a certain person wishing a loan, namely a Mr. Huider.

—entered Quay Funding's offices he had two mortgages on his home. One had a year to run. The other was not due for almost three years. The total amount he owed on both mortgages was $6,130.19.

When the Lundy-Solnik company was through with him, Mr. Huider had two brand new mortgages on his house. And now he owed $8,795.

In order to get $200 in cash, Mr. Huider allowed Quay Funding to negotiate two new mortgages to replace two old ones. The "finance charges" for this transaction totalled $2,300. In addition, "recording charges" totalled $190. In addition, Mr. Huider must pay interest at 7½ per cent and 12 per cent, respectively, on the total value of the mortgages plus all the added charges.

This works out to a real interest rate of 18.3 per cent on his new first mortgage and a real interest rate of 34 per cent on his new second mortgage.

And all Mr. Huider has to show for this is $200 in cash from the people he asked to be his friend.

I'll repeat this for the benefit of those in the back who may not have thought they heard me distinctly:

Mr. Huider got exactly $200, plus the nebulous advantage of a slightly extended period in which to pay his debt. In January, he owed $2,665 more on his house than he owed in December. His monthly payments and his interest rates are now higher than they were before he applied for his loan.

I find this almost unbelievable, but I have the loan agreements and the reporting letter from Quay Funding before me, and I have had the mortgages checked. Mr. Huider is only dimly aware of what has happened. He still does not know what his real interest rates are.

There is something else, alas, that Mr. Huider is not aware of. His loan agreements call for him to make monthly payments of $90. This means that, in four years, when these new, expensive mortgages come due, Mr. Huider will have paid some $4,300 to the Lundy-Solnik firm.

Yet he will still owe more on his house then than he did when he first applied for a loan.

Last December he owed $6,130. Four Decembers from now, if he pays at this rate, he will owe about $7,300. He is paying more than 1,000 per cent interest per annum on his $200.

I ask my hon. friends opposite if they think they are justified in allowing this kind of extortionate practice to continue in our country. I think the government should take action in this field, Mr. Speaker. If the government took action in this field I think there would be other means by which credit could be obtained. If a few of these loan sharks decided that they did not wish to continue in business I would say good riddance, because it would be better to have firms charging 1,000 per cent interest out of business than in business continuing to charge such fabulous rates of interest.

We have credit unions which are doing a good job and which can do an even better job. We have in this country banks which, according to law, can make loans with an interest rate up to 6 per cent. I give the banks credit for having tried in recent years to develop their small loans field at a more rapid rate. I feel that some of the pressure and some of the publicity that has come from discussion in parliament have been instrumental in bringing the banks to exert a greater effort in this field. But it is also a fact, in my judgment, that the banks have cut some corners today by methods that are certainly not established as being legal, in order to bring about for themselves a much higher interest rate than the 6 per cent set forth in the Bank Act. There is on the record and there has been for sometime evidence that the rates are 9 per cent, 10 per cent or 11 per cent. I refer to the effective rates.

I have had sent to me an unsigned letter, but I should be happy to show it to anybody in the house. It sets forth in a detailed way the charges now being made by the Bank of Nova Scotia in the small loans field. The writer of this letter, whoever he may be, has come to the conclusion that the rates are some 12.6 per cent. I suggest that the government should have this practice checked and should inform the house whether in fact these rates are being charged. Certainly they are cutting corners. Certainly they are charging rates in excess of 6 per cent.

Mr. Broome: Will the hon. member permit a question?

Mr. Argue: Yes.

Mr. Broome: I will make it short. Is the hon. member not in favour of the banks entering this field under these conditions that he has stated?

Mr. Argue: I am very much in favour of the banks entering this field.

Mr. Broome: Then why take up all this time?

Mr. Argue: I think they should enter this field in a legal way and not try to cut corners; that is all I am saying. I think they should not be charging 12.6 per cent interest, if this is a fact, and I am suggesting that the government check on the matter. I think they should not be charging 12.6 per cent interest when the law says the rate should be 6 per cent. If the banks require a higher interest rate in order to do business in the small and personal loans field, then this matter should be dealt with by parliament in a proper manner and particular rates should be set out for particular business. There should not be any of this practice of cutting corners and doing things that are not well established as being legal.

This discussion also took place in the banking and commerce committee some years ago, but at that time there was not evidence that some rates even in excess of 12 per cent were being charged.

Mr. Hodgson: May I ask the hon. member a question?

Mr. Argue: Yes.

Mr. Hodgson: Does the hon. member pay much attention to unsigned letters? All his argument has been based on a letter he received on which there is no signature.

Mr. Argue: I asked the government if they would check on the matter and see whether the Bank of Nova Scotia is in fact charging these rates of interest.

Mr. Hodgson: The hon. member does so because he received this letter with no signature on it.

Mr. Argue: Sometimes I would rather pay more attention to unsigned letters than to some statements made by some hon. members I could think of.

Mr. Hodgson: Yes, and yours included.

Mr. Argue: I am asking the government whether or not the Bank of Nova Scotia is charging this interest rate. This is something that the parliamentary assistant, I am certain, will make inquiries about, because I am sure the government would not condone this practice. It is a fact, of course, that the Canadian Bank of Commerce for many years has charged rates of 9 per cent and 10 per cent—there is no dispute about that—even though the rate in the Bank Act is 6 per cent.

We want action; we want the government to do something. I do not know why the government will not move in this field. They claim they are not afraid to bring forth legislation that will mean a new Canadianism. They are provoking Canadianism all the time. If they are doing this in a real and effective sense they should not be afraid to bring in legislation that will limit the charges that are made by finance companies in our country, since approximately 70 per cent of the business done by finance companies is done by companies that are wholly owned in the United States.

Why should we allow Canadian companies or any other companies the right to levy these extortionate rates of interest? This field is dominated by United States corporations. A government that has the attitude which this government has to outside capital from the United States surely should not be backward in doing the right thing, affecting all companies in this field, more particularly since 70 per cent of the business is in the hands of companies wholly owned in the United States.

I have given examples of some of the fabulous rates of interest that are being charged in this country. The thing that amazes me is that they are being charged in a legal manner, that this government has taken no steps to control these charges. I know it is going to be said that property and civil rights belong to the provinces, but long ago it was established that interest rates are under the control of this parliament, and every other charge that is associated with a given transaction has been interpreted as being an interest charge. Therefore this government has the right to legislate in this field.

I suggest that this government, badly in need of political support as it is at this time, badly in need of some moves that will carry some popular support, could do nothing better than extend the area of interest control and limit the interest rates along the lines I have suggested.

The banks can do a better job, the credit unions can do a better job, a bigger job. They are capable of doing it. I suggest that to allow a maximum rate of 12 per cent is allowing a rate, if anything, too high, but a rate surely that is adequate for normal, legitimate, efficient businesses to carry on their operations and make a return on those operations.

I have made forecasts in the past, Mr. Speaker. Sometimes I have been wrong. I am going to make one now. I hope I am wrong. My forecast is that when the time for adjournment comes tonight a Conservative member will be telling us, perhaps, some of the things that are wrong with this bill—maybe things very much unconnected with the bill—and carrying on the practice of talking out this measure. That is my forecast. I hope I am wrong.

I think the government should allow the members of parliament to vote on this bill. It would be very interesting to me to see how the Liberal members would vote on it. The hon. member for Essex East has announced his departure, with his own position unstated, after I had been courteous enough to give him adequate time to make his reply.

I would hope we would get some support from the Liberal party. I think this measure deserves the support of members of this house. I would like to see it come to a vote. The attitude of the Liberal party in the past was very often, "We do not agree with opposition bills", though we have seen some of their members vote for opposition bills. But in most instances—not every instance—Liberal governments of former days allowed private members' bills to come to a vote.

I challenge the government to take off the whip. I challenge the members of the Conservative party to give the house a chance to make a decision on a bill that I think is of extreme importance to the Canadian nation at this time. It is of importance in normal times; it is of greater importance when hundreds of thousands of Canadians have lost their jobs, when people are on very low incomes and may be forced, through family difficulties, into the hands of these loan sharks who can ruin them financially for the rest of their lives.

Mr. M. D. Morton (Davenport): Mr. Speaker, once again we come to discuss what the sponsor of the bill has stated is a simple proposition. I agree that the purpose as set out is simple, but I must also contend that the implications are not as simple as they appear on the surface.

I have had the privilege of speaking on this bill on two or three previous occasions. Like hon. members from the other side of the house who have introduced this bill, I have been able to bring to the attention of this house and the country very serious instances where people have misused the second mortgage market. Perhaps as a result of having spoken in this house I have been the recipient of a great deal of literature pro and con this question. I must confess that the more I study this subject the more complicated it seems and the more confused I become. It is not quite as simple as the hon. member has stated.

I would like, in all fairness, before I deal with this matter to answer in part some of the things that the hon. member for Assiniboia (Mr. Argue) has stated. He has pointed out, and I think quite properly, some of the abuses that have been prevalent in the second mortgage field. He knows that I have brought similar instances before this house. But I think in all fairness he must admit that in 1960 legislation was passed in the province of Ontario, in an act known as the Ontario mortgage brokers act, where it is set out and required that people who are registering mortgages must set out in detail what are the interest rate, the bonuses, and so on. It is hoped that this will overcome the difficulties of people not knowing what they are signing. If they are over 21 years of age, can read and go to their lawyer, they can be advised. But if they refuse to do those things it is going to be difficult for us to help them.

That was one step in this direction, and it was a step within the jurisdiction of the provincial government. That is what the provincial government is doing. What is more, they are still investigating other instances of these irregularities that have been brought to their attention perhaps by members of this house and by writers such as Pierre Berton. I must advise this house that they are not sitting idle and letting these things go by. Incidentally, it is a Conservative government that is doing it.

Mr. Argue: They are allowing it to be done.

Mr. Morton: The hon. member says "They are allowing it to be done". They are doing whatever they can in their power to stop these practices. One of the difficulties confronting us today is the lack of recognition on the part of many people of the problems and complications involved in economic questions. The hon. member for Assiniboia brings forward many proposals, but until he realizes the complications involved and stops tarring everybody with the same brush his suggestions will be of no value in solving the problem.

The subject of interest and interest rates has been discussed many times in this house. As the result of discussions in years gone by we have on our statute books the Small Loans Act which came into effect in 1938-39 and was amended in 1956. There is also the Pawnbrokers Act and the Interest Act. What we are now dealing with are the weaknesses in this legislation which permit certain companies without ethics to prey on those who need money.

In dealing with this problem we have to consider what is the thing we call money. Some people consider it a commodity, others a means of facilitating trade, and still others consider it to be both. Interest rates are usually set by competition, the natural level at which money can be obtained in normal competition. When money is in short supply interest rates go up. Interest rates also vary in accordance with the risks involved. Hence, rates of interest on loans with collateral security are less than those without security,

and interest rates on first mortgages are less than on second and third mortgages. These are basic assumptions.

The problem of interest rates is further complicated by monetary policy. In times of threatening inflation those who control the monetary policy encourage high interest rates in order to discourage the demand for money. Also, if money is in short supply interest rates may be increased by the demand. If there is too much money in circulation which is causing inflation there is a tendency for monetary authorities to encourage high interest rates. The more we study the problem the more confused we become and the more complicated we realize it is. A simple declaration by act of parliament that the rate of interest should not be higher than 12 per cent seems destined to failure when we consider the sense of balance of our complex economy.

The hon. member for Assiniboia in drafting this bill did not direct his attention to the economic theories behind the various forces which influence the rate of interest. The hon. gentleman, like many of us, is more impressed by and concerned with the abuses of greedy moneylenders. The buying public, being unaware and trusting, fall prey to encouragement to increase their debt, and thus overanxious consumers become committed to various loans.

This bill is an expression of a desire to protect people. It is prompted by the same motive which prompted the introduction of the other acts to which I referred which are on our statute books for the protection of the public. It is perhaps for the same reasons that the province of Ontario recently passed an act to protect people who have been involved in second mortgages and is continuing its investigation of the activities of certain unscrupulous moneylenders.

The sponsor of this bill appears to share the hope that people who wish to borrow on future earnings to pay for present needs should be able to do so at a lesser cost. Hence we are faced with two different approaches which are seemingly contradictory and conflicting. If we were to adopt the principle that people should be able to borrow all they want to buy whatever they wish and pay only a low rate of interest, one way to do this would be to create more money so that the money supply would be sufficient to meet the demand and interest rates would remain naturally low in a competitive market. On the other hand the government could go directly into the lending business and create the money it wished to loan at a low rate of interest.

I am not an economist. I can, however, foresee some of the consequences of a course of action of this nature on the value of our dollar. We would probably wind up with greater confusion, and perhaps we would create a greater hardship on the people we are seeking to assist.

However much we may speculate and dream about these things, we have to face the realities of the situation. We cannot create money at will, nor can we in our every day needs and requirements simply go out and buy everything we see just because we want it. We have to buy things in accordance with our needs and means. We should be astute enough as individuals not to sign contracts which are averse to us. If we do not know what these contracts mean or involve, we should be intelligent enough to have a friend or lawyer check them over. This is an important subject because of the implications it has relating to our whole economy.

The hon. member for Assiniboia set out some figures illustrating the scope of consumer credit in our Canadian communities. The dominion bureau of statistics daily bulletin of November 16, 1960 shows that the balances outstanding on the books of sales finance companies at the end of September amounted to $1,245,500,000. Outstanding balances on consumer goods at the end of September were $849,200,000. Bank loans at the end of October last were $6,257,000,000.

In July of 1960 United States consumer credit stood at $53.5 billion. John Kenneth Galbraith in his recent book "The Affluent Society", page 201, sets out some interesting figures relating to the United States economy which may have some general application here. Between 1952 and 1956 total consumer loans increased from $27.4 billion to $41.7 billion, or by 53 per cent. In that time the disposable income increased by only 21 per cent. In other words the people of the United States seemed to be spending more money than they had available.

In the period to which I referred instalment credit increased by 63 per cent and that for automobiles by nearly 100 per cent. In 1955 one family in four with an income of between $3,000 and $4,000 bought automobiles, 69 per cent of them on credit. One family in three with an income between $4,000 and $5,000 bought automobiles, 66 per cent on credit. Those with income in excess of $10,000, in the majority, paid cash for their automobile purchases. There is no indication, however, as to whether some of these seeming cash transactions were in fact purchases made with cash borrowed elsewhere unknown to the seller of the automobile.

Both in our economy and that of the United States the question of consumer credit

is of great importance. Because of that fact the finance and mortgage companies have moved in to fill a need. We cannot deny that there is a need, nor can we deny that there have been abuses. It is the duty of the government to study these things and try to eliminate the abuses. I differ from the hon. member for Assiniboia, who takes the examples of the abuses and then proceeds to paint everybody in the business with the same brush. I think he is doing a disfavour to those who are giving a service in the provision of consumer credit.

The hon. gentleman pointed out two or three groups that he feels can handle this better than others. But even at that perhaps he has been too broad in his accusations. I am not saying that the instances he gave are wrong, but I feel that they do not reflect the practices of the majority of those who are in the consumer credit business.

Before we come to the conclusion that 12 per cent is the easy way out of the difficulty and is the be-all and end-all, we have to realize that in coming to that conclusion there are costs involved. There are certain charges, and this bill, regardless of what the hon. member for Assiniboia says, cannot cover them. The hon. member made the statement, and I question it, that every charge can be interpreted as an interest rate. Unfortunately I have not the law before me, but it is my understanding that when the Small Loans Act was enacted and the control of charges was included in the act it was done with the permission of the provinces concerned. The hon. member shakes his head. I have no way of repudiating it; we will have to leave that for future examination.

Mr. Argue: I wonder whether I may just say something to the hon. member. My statement, at least in part, was based on the evidence given by the deputy minister of justice before the banking and commerce committee back in 1956, when, at one place in the evidence in answer to a series of questions, he made it perfectly clear that in his view the federal government had the power to control all charges because that power flows from the undisputed power of the federal government to control interest charges, and it would not be controlling the rates if the government controlled the interest rate and a company could charge what was in fact a higher rate by calling it something else.

Mr. Morton: I think that points up the difficulty we are in, when we say that 12 per cent would be the most that could be charged. If other charges and costs amounted to 10 per cent of the 12 per cent, the interest would be only 2 per cent. If we were to add up the sum total of the cost to the person obtaining the loan under those conditions, it would not be any more than 12 per cent. We might be able to do that indirectly, but this brings up the point as to how practical it would be, because for some loans and in some places the charges for services are greater. It may be doing indirectly what you cannot do directly. This points out the constitutional difficulty.

As I say, in some provinces they are going as far as they can, and what they need is assistance. This sort of thing should not be done by the provinces and the dominion separately. I think the time has come when this whole matter, like many other matters in our economy and in relation to our constitution, must be dealt with by the provinces and the dominion together if we are to have effective legislation to meet the problem.

The hon. member mentioned a department store charging 40 per cent or 50 per cent on a purchase. That could be worked out in this way. Someone purchases something in a store for $30 and has to make his payments over a three months period at $10 a month. He is charged $2 interest. This amounts to 40 per cent per annum. Without explanation this seems to be an enormous charge, but to the person buying the article the $2 does not amount to very much, and he feels it is worth it. The same thing can be said of service given to a loan which costs $2 or something of that order. The loan is small. We cannot be too dogmatic in saying that the charges should be 12 per cent.

If the hon. member would read the act in conjunction with his bill, Bill No. C-20, he would realize that there is an anomaly there, because in one section of the act it is said that on a loan of $1,000 to $1,500 the total cost of the loan is less than 1 per cent per month, whereas in Bill No. C-3 the interest rate is 1 per cent per month. There is an anomaly there.

Mr. Argue: The rate is lower for the portion of the loan between $1,000 and $1,500 than is provided in this bill.

Mr. Morton: If you look at the statistics of the loans made you will see there are fewer loans in that field between $1,000 and $1,500. This is not so much because people do not want them in that amount but because finance companies do not find it profitable to make loans in that field. The field of loans over $1,500 is more profitable.

These are some of the difficulties connected with interest rates. There are various ways in which to set interest rates. You may have a 6 per cent interest rate on a monthly

instalment contract. It could be 6 per cent per annum or it could be a 6 per cent flat add-on rate, or a flat 6 per cent discount rate. You may borrow $100 and pay 6 per cent, but you receive only $94. Therefore, in effect you are paying on that $94 almost 12 per cent. It becomes very complicated when you try to calculate actually what is the interest rate. That is what I am trying to point out to the hon. member. It is not as simple as he appears to make it to be. That is why it is most difficult to control these things.

Perhaps hon. members would be interested in knowing who are the people who make these purchases, or who purchase by this method. Let me give their occupations. According to a pamphlet put out by the federated council of sales finance companies, with headquarters in Ottawa, 13 per cent of the loans are made by proprietary and managerial groups; 5.9 per cent by professional people; 4.1 per cent by armed forces personnel; 6.2 per cent by farmers, fishermen and lumbermen; 5.8 per cent by salesmen and agents; 50.3 per cent by skilled and semi-skilled labour; and 14.7 per cent by clerical people and others. That gives a sort of cross-section of the people who need this assistance, and indicates its importance.

The question has sometimes been brought up whether we need regulations. Of course we do, and I should like to refer to an example in the United States. In a pamphlet called "Consumer Credit Facts For You", published by the bureau of business research, Western Reserve University, there is the following on page 16:

> Legislation has an important influence on maximum rates. Only five states set maximum rates for retail instalment financing transactions. In these states maximum rates vary from 24 per cent on new cars to 43 per cent on used cars. Evidence collected by legislative bodies indicates that corresponding maximums in uncontrolled states are at least 120 to 275 per cent.

So there is merit in legislation. We do not deny that, and there is all sorts of proof of it. The question is how best to regulate this field. The fact is that this problem raises many questions. Recently I received a pamphlet, which perhaps many hon. members also received, from Saunders Cameron Limited, 55 Yonge street, Toronto, containing suggestions concerning a royal commismission on Canadian monetary matters. Under the heading "Trust and Loan Companies" certain questions are raised which I think indicate that this is not a simple matter. Many people more learned than ourselves with respect to economic conditions are raising questions. The author of the pamphlet has this to say:

> Are the trust and loan companies satisfactorily fulfilling the place of the English or United States building and loan societies in Canada? Should there be close ties between such companies and chartered banks? Should there be any provision for Bank of Canada control over trust and loan companies and, if so, how can it be applied to companies under both federal and provincial charter? Many more questions can be imagined which should shed light on the place of these institutions in our structure.

With respect to finance companies this statement is made:

> Here we enter an area of conflict between the federal powers over interest rates and provincial powers over property and civil rights which might cover conditional sale agreements. Should the Bank of Canada be given powers over these companies and how they may be operated? How can companies with access to foreign funds be satisfactorily controlled on the same basis as domestic concerns? Would some form of taxation, exempting companies which are under or place themselves under federal jurisdiction, induce companies dealing in conditional sale agreements to operate in the same manner as loan companies where there are rules respecting interest rates, etc.?
>
> What about consumer credit interest rates? Do they affect the individual's willingness to borrow? Should they be spelled out as an annual rate of interest, or should it be recognized that some charges are legitimately made for investigation, etc., and morally not a form of interest? Are there abuses and how may they be prevented?

I think this points out the difficulty of the situation and the need of a genuine investigation into the matter. I think that in all legislation dealing with this matter we have to recognize the philosophy that we cannot legislate for, shall I say, the lack of morals and poor ethics of some people in our society. There is a limit to which we can go in protecting people. We can set up ground rules, but we cannot legislate that a person be good when he does not want to be good. If he wants to be a crook he will do all he can to get around the rules that we make.

The greatest protection that we might have in this field would be a better ethical code on the part of those involved in these activities. A similar question was raised in the winter edition of "The Canadian Banker", in which it is said in effect that if businessmen want to keep the government out of business through legislation, if they want to prevent the government from interfering with the details of their day to day business, they will have to improve the ethical code under which they operate because as they become less ethical in their business operations they invite the government to come into the field to try to control them.

I think that is perhaps pretty much the situation in the matter of consumer credit today. Many of these people have been unethical. We can only go so far in establishing rules, but there must be an ethical code established by responsible companies in the field and they should help the government to ferret out and put out of business those

people who do not adhere to an ethical code. On page 29 of the article, which is written by Mr. A. Beedle, the author comes to these conclusions. I quote in part:

Business should therefore:

(1) Be willing to let government share in the guardianship of business conscience. Some desirable results can only be obtained through government action. State action acts as a stimulant of conscience. Business, however, should try to see that government does not entirely usurp its role. Business should not abdicate its role. Achieving this balance may be delicate...

(2) It should recognize and accept the beneficial aspects of countervailing powers and be willing to adopt readily measures for the common good, instead of regarding countervailing powers as always representing detrimental interests.

(4) It should not ignore religion. It does not have to back all Moral Re-Armament groups; it does not have to hand its conscience over to the religious authorities; but it should be willing to adopt as practical politics those measures of which it approves. It is too prone at the moment to pay mere lip service to or completely ignore religious principles.

(5) Above all it should educate and train in economic statesmanship. It should support studies in the universities and other academic institutions. It should set up its own study groups. It should make pronouncements on moral issues.

Finally, Mr. Speaker, I should like to emphasize that the bringing forward of this bill by the hon. member for Assiniboia has provided an opportunity to disclose to the public those abuses that are prevalent and need to be rooted out. In bringing this matter before the house he has brought forward something that needs a great deal of discussion, and I think the debate should impress upon the government the need of further study as to the role of interest in our economy.

Although the purpose is laudable and the principle is simple, I feel that the application of the bill is not as simple as it may appear on the surface, but that should not deter us from studying the matter and bringing people here who know all the implications of interest with respect to the economy. We should be able to devise some method of control that is not too rigid and yet will be effective in dealing with those people who like to live by sponging off others who cannot afford it, people who do not know how to protect themselves, people who are in unfortunate circumstances not always through their own fault. They should, in some way, be protected. I agree in this respect with the sponsor of the bill, and to that end I have, on occasion, brought before this house examples of the things I felt were wrong, especially in the second mortgage market. I believe this has borne some fruit because I know some investigations have taken place in Ontario. The Ontario department has moved to remedy that situation and they are still investigating those who have been unconscionable in their activities.

I should like to urge upon our government and our cabinet the making of a study of the implications of the interest rate as it relates to the consumer credit field, that vast field in which people are dependent upon loans to assist them in buying the things they need. I think we should say the things they need and not what they want because they cannot afford everything they want. I believe the government should ascertain that these institutions which need to fulfil a vital role are filling that role at not too great an expense to those who need their services.

Mr. Gordon Chown (Winnipeg South): Mr. Speaker, I would preface my remarks by stating my sympathy with the point of view of the hon. member for Davenport (Mr. Morton) who has pointed out the hardships people have to sustain as a result of the unethical and unscrupulous practices of these loan sharks and moneylenders in a field which has done so much to contribute to human unhappiness. I wonder if the loan companies who are under discussion here today because of the interest rates they charge had not filled this area in the money lending market, it would not have fallen to more unscrupulous and unethical operators?

This bill, presented by the hon. member for Assiniboia (Mr. Argue) is becoming an annual old friend. I do not doubt the honesty or sincerity of purpose of my hon. friend, and I commend the suggestion of the hon. member for Davenport that the situation would bear detailed study by a committee of this house from time to time. The great value of such a study would be that arguments could be refuted by the reputable people in this industry, by facts and figures, by specific cases and especially in terms of their own public relations.

All of us are aware of the very seductive advertising that has become a prelude to every Christmas and which is to some extent inflated and misleading to those who are on the receiving end. These people, not knowing better, soon find themselves lured to attend at one of these offices where they are offered a consolidation of their Christmas debts. I trust they are told not only what the net loan will be but what the gross cost of the loan may ultimately be. I am assured by reputable members of the industry that this is indeed their approach and that the interest rate is clearly disclosed. In many cases, it is disclosed in the area of the signature. I only hope the supplementary information is given, namely that you are borrowing $300 but you will be expected to pay $350 or $375 or whatever it may be. I have not precisely calculated that amount, I have only guessed at it.

The hon. member for Assiniboia pointed out that these companies have been flourishing since 1956. I think that was the date he used. I have before me a report from the department of insurance for the year ending December 31, 1959 which contains a chart listing the 77 finance companies. Of these 77 companies, 14 showed a loss and 63 showed a profit. There were 24 companies that had a profit of less than $10,000; nine had a profit of less than $20,000. Only 30 out of the 77 loan companies made a profit in excess of $20,000. This does not reflect the rosy picture of pyramiding profits the hon. member was pointing out in his general remarks, but there are some companies—

Mr. Argue: These 30 companies did very little of the business. Most of the business is done by half of the companies.

Mr. Chown: I have no doubt that at the moment the gross loans of many of these new companies would be small but will grow in volume over the years. However, I picked out two companies that did a substantial business. I found that company A had a gross profit before taxes of $1,317,125.

Mr. Argue: What company was that?

Mr. Chown: I am not giving the name of the company, I am just calling it "A".

Mr. Argue: It is public information. The country knows it. You do not have to call it "A".

Mr. Chown: The figures are in that report. I do not think it really matters whether I call it by a letter. It is public information and perhaps the hon. member has the report in front of him.

Mr. Argue: No, I have not. Mine is a year older than yours.

Mr. Chown: In any event, I took these figures right off the sheet here and the gross profit in the case of company A is $1,317,125. The net profit was $791,431. Therefore, they paid income taxes to the tune of $525,694. Company B had a gross profit before taxes of $1,933,282. The net profit after taxes was $990,780, so they paid taxes of $942,502. I picked out these two large business enterprises to indicate that they did contribute substantially to our federal treasury by way of income taxes which, in turn, find their way back to the people of Canada through the social security measures that exist as a result of the work of our government. I was going to add that co-operatives and credit unions also make loans, as we all know and that they are non-taxable.

Mr. Argue: That is not correct.

Mr. Chown: Will the hon. gentleman give me his authority for saying that?

Mr. Argue: Yes. I should be pleased to do so. The laws of this country apply to all companies in exactly the same way. The law says this. Every company must pay at least 3 per cent on its capital invested and further that every company is allowed if it wishes to take all or part of its profits and pay the profits in patronage dividends and any profit paid in patronage dividends is not taxable. So the law applies precisely the same way to every company in Canada including co-operatives. They pay every tax that any other company pays.

Mr. Chown: With the exception that they have the right to pay out patronage dividends which in many respects would disburse the profit that would normally accrue.

Mr. Argue: The Beneficial Finance Company could do the same thing if they wanted to do so.

The Acting Speaker (Mr. Rea): Order.

Mr. Chown: I was glad to note that my friend the hon. member for Davenport alluded to the situation where the interest rate was said to be 54 per cent. I am sure that my friend the hon. member for Assiniboia was being quite honest and true when he said that that interest rate was computed on an extremely small amount of money with a monthly charge over a period of perhaps three or four months. But that certainly is misleading as far as the major retail companies are concerned to suggest that they are charging interest rates at that level because by and large, on charge accounts and so on, it is not their custom to charge any interest rate whatsoever.

Mr. Argue: Mail order houses?

Mr. Chown: I would say as far as retail companies are concerned. The other point I want to come to has to do with the fact that this industry has grown to a point where there are 150 financial houses across the country and over 550 branches. If we take into consideration the fact that each branch might conceivably employ ten people, we arrive at a substantial number of employees, namely a minimum of 5,500 employees in this industry across the nation. Hence, if we were to pass this bill in its present form I would think the tendency in the industry, because of their high risk factor and the cost of the multiplicity of loans on a small quantum basis which results in heavy services and other charges, would be that these companies would not be able to continue in business, with the consequent loss of employment across the nation.

I have always been of the opinion that given honest service with good public relations they have a gap to fill in the economy and that they fill it very usefully.

My friend the hon. member for Assiniboia referred to the many legislative studies that have taken place over the years both in the Senate and the House of Commons banking and commerce committees. I want to quote in part some of the conclusions that came out of these committee hearings up to the time the present act was passed. As an authority for this quotation I am using the pamphlet entitled "Consumer loans in Canada". At page 3 these five conclusions are stated:

1. —our modern economy creates a need for small-sum, short term loans to wage-earners and salaried people.

2. —the demand will be met, either by legal and supervised agencies or by unlicensed lenders at unregulated rates.

3. —the actual cost of making and servicing such loans far exceeded the 12 per cent per annum provision of the then existing Money-Lender's Act.

4. —if legal, supervised service was to be provided, the permitted maximum charge—to cover every element of cost, including interest—must be adequate to enable efficient management to earn sufficient profit to attract enough capital.

5. —prohibitory legislation would be ineffective and would result only in forcing needy borrowers into the hands of unlicensed lenders.

In the Interest Act in part I there is a clause which reads as follows:

5. No person shall transact the business of a moneylender unless such person has first obtained from the minister a licence: but this section does not apply to a moneylender the cost of whose loans does not in any case exceed an amount equivalent to 1 per cent per month on the unpaid principal balance thereof.

It is obvious that consumer lenders would not take out licences and accept the many restrictive provisions of the Small Loans Act unless the Interest Act were further amended to specifically exclude them from its rate requirement. If there are no licensees there are no annual reports, no examination of lenders' books and records and no restriction of such matters as length of contract, reduction in charges for prepaid accounts, minimum charges, and many other features which now offer excellent protection to the borrowing public. The result would be a long step backward in the history of borrowing and lending in Canada, and I think this would be a mistake of the first magnitude.

Consumer lenders actively advocated a small loans law and accepted the terms and conditions of the Small Loans Act in 1939. They have not seriously objected to it since then, mainly because the act provides a rate of charge higher than for other kinds of lending in recognition of the higher costs involved in making personal instalment loans. These lenders may feel differently about a definition of interest as broad as that suggested in Bill No. C-3 if the statutory rate is reduced to the point that it becomes impossible to earn a profit.

Since the Interest Act covers a much wider field than the Small Loans Act there will no doubt be many other kinds of lenders who will find such a definition of interest unpalatable. For example, loans on real estate often incur heavy expenses for inquiries, appraisals, recording fees, commissions, et cetera. If these must be lumped into one total charge along with the rate of interest on the loan as a 1 per cent per month maximum it would certainly seriously slow down the rate of mortgage lending, especially on secondary security.

This mortgage problem in the lending field —I refer to second and third mortgages— was brought to the attention of the house by my friend the hon. member for Davenport and it points to a real and difficult situation and the need for supervision of loans of this nature by way of some sort of provincial act such as that which is now on the books in the province of Ontario which should point a good example to the other provinces in Canada. As a lawyer I have dealt with many people who were confronted with this situation of being overly mortgaged, with 20 per cent to 30 per cent discount on second and third mortgages, and to have suddenly found themselves out of work and unable to meet the payments they found that their equity in their home had been swallowed up, with the net result that they lost their home and their place of living at an extremely difficult time when they are in financial straits.

This kind of legislation is of great credit to the province of Ontario, and of course that province has a Conservative government. This is the kind of legislation that I believe should be followed by all the other provinces of our nation. I have here the Bank of Montreal Business Review issue of September 26, 1960, which I think contains a rather good definition of consumer credit:

Consumer credit is generally regarded as consisting of contractual obligations entered into by individuals, as consumers but not as house buyers, for personal rather than business reasons. As such it includes indebtedness incurred in the form of charge accounts, or commitments to pay for goods and services by instalments, or personal cash borrowings without attendant collateral in the form of stocks and bonds.

Prior to world war II there were only $400 million outstanding in Canada in consumer credit. By 1943, due to the exigencies of the second world war, the production especially of household goods, and so on, this dropped to $200 million. By 1946 it advanced to $400 million again and it had passed the $1 billion

mark by 1950. It was again restricted during the Korean war, for obvious reasons, and ever since has been on the rise until now it stands at $3½ billion.

This is a tremendous increase in the field of consumer borrowing, but in my opinion it is rather the sociological trend of our times. People want to have possession of some desirable and useful chattel now and pay for it later. In most cases I am sure they understand the consequences of the charges that ensue by way of interest. But there is that small segment of the public which is drawn into these financial offices, and if these people are not treated with the respect, understanding and sympathy which they deserve they are apt to be committed to a loan to pay for such goods and chattels which they really cannot afford.

In the same Bank of Montreal Business Review there is a table showing consumer credit as a percentage of personal disposable income. I thought it would be of interest to the house to put this table on the record. In 1950 it was 8.3 per cent of personal disposable income; in 1951 it was 6.8 per cent; in 1952 it was 8.9 per cent; in 1953, 10.5 per cent; in 1954, 11.3 per cent; in 1955, 12.6 per cent; in 1956, 13.1 per cent; in 1957, 13 per cent; in 1958, 13.3 per cent. Then in 1959 it rose to 14.1 per cent and in 1960, as at the end of the first quarter—which is the last figure available—it was 13.5 per cent.

At the present time, when there is a slight recession in the economy, consumer credit shows a definite falling off. When times are good it shows a sturdy gain. To suggest, as the hon. member for Assiniboia did, that in times when there is high unemployment—as there is at the moment—the credit companies are in a more advantageous position is quite wrong. These statistics clearly indicate that they are as buoyant as any other business in good times, and their business falls off very substantially when times are not so good.

There are different types of consumer credit. First of all you have the charge account type of credit, which is the short term, almost month by month account and the account is paid at the end of each month. Even though it is not paid until it becomes pretty badly in default, there are no interest charges on it. This type of charge account increased by 50 per cent in 1959 over what it was in 1951 and now represents 13 per cent of total consumer debt, as opposed to 29 per cent in 1951, which is an interesting development.

Then there is instalment credit. This type of credit, instalment buying, by way of contrast to the charge account type of consumer credit, increased 4½ times between 1951 and 1959. This aspect of credit is dealt with on page 2 of the Bank of Montreal Business Review, as follows:

> The unevenness of annual increases already noted in consumer debt generally has been particularly apparent in instalment credit. Most of the rise since 1951 occurred in the years prior to 1957 when, despite the arrested growth in 1954, instalment debt grew at an annual compound rate of about 25 per cent. In the past two years the rate of increase has been notably lower, averaging less than 4 per cent. Thus, while nearly half of consumer debt was in the form of instalment credit at the end of 1957, the proportion now approximates two fifths.

The third type of consumer credit is personal cash loan. This has become a major component of consumer credit. It started out very slowly in the 1950's and increased in volume until at the present time it represents nearly one half of all the consumer credit in our country. Hence, when you use the chart issued by the superintendent of insurance, probably if one went back to 1951 he would find just a small handful of these finance companies. Today, as I pointed out, there are 77, each of them growing year by year.

It is interesting to know that more than half of the non-farm family units have no consumer debt whatsoever, and one third of these do have liquid cash assets in excess of the amount of their own indebtedness. So that when you look at the whole picture it is not quite so bad as it seems. Assuming that this is really becoming a social change of our day I should like to quote the Radcliffe committee of the United Kingdom which aptly summed up the role of consumer credit in the following terms:

> While he (the purchaser) escapes the necessity of saving in advance of his purchases, and draws on the savings of others to finance his investment, the act of repayment restores those savings for other uses, and there remains in the hands of consumers, after the discharge of their obligations, a stock of goods that may be presumed to make as real a contribution to the amenities of life as any other form of investment.

That would appear to indicate that the money being loaned out across the country by these finance companies is in its own way doing good in that it is keeping a substantially growing amount of money in circulation which keeps up the level of consumer purchases and, in its own fashion, contributes to the general buoyancy of our economy.

I wish to quote from a pamphlet called "Facts about consumer loans" prepared by the Household Finance Corporation which company has been in business in Canada since 1927. The pamphlet points out:

> The need for satisfactory sources of small sum loans to wage earners and consumers has only developed in Canada during comparatively recent years, with the change from an agrarian to an industrial economy and the consequent shift of

population from rural to urban area. The resulting dependence of a growing number of people on cash income rather than on the physical products of their own hands, has produced this need. Early laws did not protect borrowers, and many people needing small loans were victimized by unscrupulous lenders charging exorbitant rates.

This condition did not develop as soon in Canada as in the United States, where intensive studies of the problem commenced in 1908. Most active in this field was the Russell Sage foundation, a philanthropic body dedicated to the improvement of social and living conditions.

Studies by the foundation showed that laws limiting interest on all loans regardless of size, were inadequate as far as small loans were concerned, since they only prevented small loans being made legally, and drove people into the hands of the loan sharks. It was also apparent from experiments with the operation of philanthropic lending agencies that the need for small loans could not be met in this manner. The foundation concluded that the only answer was to pass laws which would provide small loan rates low enough to protect borrowers, but high enough to attract sufficient capital to the business to meet the public need. Only by doing this could the borrower be protected.

The foundation received the support of legal lenders, among them Household Finance, and by 1917 the first uniform small loan law had been passed in several states. Since then improved versions of this law have been passed in the majority of states.

In Canada by 1936, it was apparent that a small loan law was necessary, for here, as had happened in the United States the high rate lenders were plying their trade. Realization of this condition led to the passage of the Small Loans Act in 1939—

There was a reason and purpose for these companies coming into existence. The experience here in Canada clearly points to the fact that people were being stung by unethical and unscrupulous operators. The change in our whole economic set-up, the movement of the population from rural to urban centres, higher wage rates, higher employment and the consequent greater amount of cash available to working people led these companies into a field which investigation establishes was clearly needed. Accordingly I cannot agree with the hon. member for Assiniboia when he says that we would be doing the public of Canada a service by accepting the hon. member's proposed bill at face value realizing the constitutional anomalies that were already pointed out in this debate and realizing the conflict between this bill and the existing Small Loans Act even at this level leaving out the provinces entirely.

Before accepting such a measure I feel we should conduct a full and thorough investigation. With that in mind I feel that a more intelligent decision could be reached if all the evidence were placed before the banking and commerce committee. We should take into consideration the fact that the present act has remained relatively unchanged since 1936. From the evidence obtained and the witnesses heard we could come to a sober conclusion as a result of having another and very close look at this whole general problem.

In the meantime, it would be difficult for me to support this bill. I do not know how my hon. friend arrived at 12 per cent as a figure for the maximum interest rate. It appears as though he has simply taken the present allowable maximum of 2 per cent per month, chopped it in half and reduced it to 1 per cent and said, "That will do because that is what my friends in the co-operatives and credit unions are charging, and that seems to be a fairly reasonable interest rate".

It is important to remember that those in co-operatives and credit union societies are not coping with such a broad area of risk where you have thousands of small loans in the amount of $200 and $300 apiece thinly spread among hundreds of thousands of people all of which loans have to be serviced, checked and rechecked and pursued when they are in default.

When a loan is in default the lending institution must decide whether it is advisable in terms of the possibility of collection to pursue the account through legal processes. Even if the money is collectible the institution must determine whether or not to pursue it through legal processes and face the consequences of bad public relations.

My hope is that they will find that recourse through the courts, or by way of chattel mortgage through a bailiff and a seizure is an unprofitable move from the standpoint of their general public relations because they should know better than to become involved in that type of situation in the first place. In other words, they have to take a very responsible attitude toward each risk they accept and when a poor risk is discovered they should reflect on the fact that there was bad judgment on their own part before they incur the poor public relations that will follow if they pursue the account through legal processes.

The philosophy that the customer is always right is more applicable to finance companies than to retail stores. No human being can sit back and be happy over the dire results of playing along with a poor risk, and least of all a finance company. I think finance companies are charged with a very grave responsibility in this regard, a responsibility to tell the public the true story of the interest that is being charged, to state with courage the fact that 2 per cent per month means 24 per cent per year, and to look with caution and with care, into the

background of people whom they are servicing and to weigh up the consequences of a default by a person through loss of employment or disaster in the family or any other cause.

If finance companies do not accede to the charge made against them, and accept this very grave and heavy responsibility, then the time will come when they will face the possibility that public clamour will rise to the point where some action will have to be taken, both at the federal and provincial levels, to police those corporations with even greater care than they are policed at the present time.

Mr. Deschatelets: Will the hon. member permit a question? Does he have any figures showing losses resulting from recent loans by finance companies?

Mr. Chown: I have not that information before me. I have already pointed out to the house that 14 of those listed in the annual report of the superintendent of insurance actually showed a year end loss, no profit whatsoever; 24 had a profit of less than $10,000; and nine had a profit of less than $20,000, which amounts to a total of—

The Acting Speaker (Mr. Rea): Order. I am sorry to interrupt the hon. member but I am advised that his time has expired.

(Translation):

Mr. Alfred Belzile (Matapedia-Matane): Mr. Speaker, my remarks on this matter will be very brief, as I merely wish to support the principle of Bill C-3, even if I do not fully agree with its terms.

Bill C-3 will, if passed, decree that the maximum interest rate that may be charged by companies or loan institutions be set at 12 per cent.

Of course, Mr. Speaker, as the mover of the bill is none other than the hon. member for Assiniboia (Mr. Argue), who is also leader of a party with socialist tendencies, and who, at least in theory, claims to be able to provide our country with more favourable legislation in the economic field, it is obvious that, in this case, we might have expected something more spectacular.

My purpose in speaking at this time is to submit to the house and to defend the position of the working classes, of the small wage earners.

However, I am not of those who advocate the principle of lending money without interest.

On the contrary, I recognize that if borrowed money is useful to the borrower, it should provide a return to the lender.

I think that if I rent an apartment, a car, or some other article I have to pay something for the wear and tear of the merchandise or premises.

I must admit that credit unions and chartered banks are charging reasonable interest rates in this field and are rendering a great service to their customers.

Unfortunately we cannot say as much with regard to other loan companies regularly established on the market, some of which advertise on television, or on the radio, claiming that they are ready to give tremendous service to people by advancing them the money they need.

First of all, let it be clearly understood that I have nothing to reproach, either directly or indirectly to the management or employees of those companies. Most of them are very honest people, working for modest salaries. Yet, I would state categorically that those companies are doing a disservice to people, in the majority of cases where our fellow-citizens deal with them.

The interest rates charged on the full amount of the loan, or on any outstanding balance for the purchase of an article, on the basis sometimes of a rate of 9 per cent, and even more in some instances, on the total amount, and for the whole period of repayment on purchases paid by monthly instalments, amount to twice the interest rate provided in the contract.

Mr. Speaker, as a member of parliament, I am often visited by some constituents of mine who come and tell me about their financial difficulties. Most of them, after we have discussed their financial troubles, fish out of their pockets what is known in our province as a finance contract. They have borrowed money from lending institutions whose interest rates are exorbitant. Those companies, I can well appreciate, are probably taking greater risks than do our credit unions and our charter banks, but a man would be better off in being refused a loan at a reasonable rate of interest, if it would be too much of a burden to him, than to be granted one at a rate of interest he cannot affort to pay.

Toward the end of 1959, the Bank of Canada had instructed all chartered banks to restrict their credit facilities. And, of course, as a consequence, chartered banks had to curtail loans which they normally grant to their usual borrowers. However, for reasons unknown to me, no restrictions at all were imposed by the Bank of Canada on the companies I have now in mind, with the result

many patrons no longer applied to banks and credit unions and turned to these lending companies which charge higher rates of interest. Consequently low wage earners have had to pay more in interest for money they had borrowed and which, in certain cases, they could have done without.

Mr. Speaker, I appreciate the services rendered by such companies to people buying cars, furniture and so on. However I feel that in proportion to the service rendered, the interest rates charged are far too high.

As I have said, I admit that in some instances lending companies have operated at a loss. In fact the previous speaker mentioned that 14 companies had run into deficits.

Mr. Speaker, it goes without saying that I do not want to suggest that the financial reports of those companies might be doctored. But I wonder whether figures are not somewhat like music and whether it is not possible to make them give off various sounds.

In any case, I wonder how our caisses populaires, making loans at 6 and 5 per cent interest in some instances, can manage to accumulate reserves and lend money at rates much lower than those charged by these lending institutions? How is it that in every town and city of every province in this country chartered banks can lend money at reasonable rates and get along, as far as I know, while other lending companies charging twice the same rates are showing a deficit?

Mr. Speaker, it is without any trace of bitterness that I sought to express my humble opinion in this debate about financing and money in Canada.

I happen to come from an area which is rather average, if not downright poor and, as I was saying earlier, I have in many instances witnessed the dire predicament of some of my fellow citizens who had been lured by credit or loan facilities at very heavy rates of interest.

Mr. Speaker, I am happy to find that this government is taking action in the sense I have just suggested, as evidenced by the Small Loans Act passed before the Christmas recess. I am sure that this measure will greatly benefit small businesses and provide a reasonable interest rate. I sincerely hope it will be followed by other legislation enabling Canadians in need of credit to secure loans at reasonable rates of interest.

(Text):

Mr. R. J. McCleave (Halifax): Mr. Speaker, my first thought on this subject is one of some surprise that the official opposition has in effect bowed to the claims of those who claim they are the effective opposition in presenting measures of this sort. My second thought is to express some pleasure that it is again possible to debate a measure which is so important and which should be very carefully considered before parliament takes action on the proposal of the hon. member for Assiniboia (Mr. Argue).

In my contribution to the debate, Mr. Speaker—and I hope I will be reasonably short—I should like to present some figures which would suggest that if we adopted this measure the small loans companies of Canada would immediately disappear from the landscape because they would all be forced out of business by bankruptcy. To this I have no particular objection. Fortunately I have never had to use their services but it still is a fact that we should consider that if we were to give effect to this measure it would mean the disappearance of the loan companies.

The reason I say that is that according to figures compiled by one of these companies the costs of operating their services amount to about 13.3 per cent of the average outstanding on loans. The hon. member for Assiniboia proposes that the effective rate of interest should be 12 per cent and it is apparent on the face of it that 12 per cent is less than 13 per cent. I am not going to vouch for the accuracy of these figures. They are but projections and would have to be carefully examined in a committee. Notwithstanding whether or not they are correct, it is still an assertion by one company which has compiled these figures that if the effective rate of interest was set at 12 per cent the loan companies would immediately suffer losses.

Mr. Martin (Timmins): Will the hon. member permit a question?

Mr. McCleave: Yes.

Mr. Martin (Timmins): If, as he states, the figure is 13 per cent for the operation of such businesses, can I assume that the hon. member is in favour of operating inefficient businesses?

Mr. McCleave: Mr. Speaker, the question is simple but I am afraid the answer will have to be somewhat complex. The trouble is that the people who have to use the services of small loans companies are the unfortunates of the world and the unfortunates of the world do not always find it easy to obtain the money they need on simple terms. They are the people who go to the

small loans companies or loan sharks, and may I say I have no objection to the use of that term. If the money is to be repaid they are the people who have to be hounded by the collectors who work for the loan companies and by their letter writers, and all this adds up to cost. Unfortunately, it must be paid for out of the business. I certainly am not in favour of this business. Most of the people are honest and do repay the money in time, but still the collection of money from these other people is a very expensive item and it adds to the cost of operation of these companies.

I think that is a point that has to be faced squarely. Assuming that the cost of operation is that high—I would think that would have to be very carefully examined because, as I have said, I am only passing on the information I have received from one of these companies—and assuming these companies did disappear, the inevitable result would be that the people who needed the money and who had gone to these loan companies before would have to find their money from other sources. I would suggest they would find that money, Mr. Speaker, by going to bootleg sources. If a man is desperate, he will pay almost anything to obtain what he wants.

Those are the facts, and they cannot be ignored. This is not the best of all possible worlds. Some of these people are the victims of their own circumstances. They do not enjoy a first class bank rating, for example, so many of them would find difficulty in borrowing money from credit unions. In fact, Mr. Speaker, I am looking at the number of accounts in Canada under the small loans operations for a year and I find there are approximately one million. There are only 213,000 Canadians who have loans of more than $1,100. I am looking at the figures which were compiled for, and set forth in the annual report of the department of insurance for 1958. These are precisely small loans, Mr. Speaker, when people have to borrow up to $1,100.

Mr. Deschatelets: Would my hon. friend permit a question?

Mr. McCleave: Yes, indeed.

Mr. Deschatelets: Do those figures to which the hon. member referred include the financing of automobiles?

Mr. McCleave: I am not sure, Mr. Speaker, I know these figures cover the operations of all licensed lenders in Canada and I presume they would include the financing of automobiles. However, I cannot give a categorical answer.

May I suggest, sir, that there are two types of people who go to the small loans companies for loans at interest rates which go up to 24 per cent. The first group would be those who are misled by the advertising or who are ignorant of the actual rates they are paying and so go to the premises of the loan companies. The second group would be those who are beyond what I call the twilight zone of basic credit. I mean they have not the standing which would enable them to borrow money at from 6 per cent to 12 per cent from the chartered banks or any credit unions or any of the other reputable sources. The remedy, apart from the bill we are considering, could include education for the former, that is to clearly show the effective rates of interest one pays by going to finance companies. The remedy for the latter group who are forced to go to high interest sources for their money is a very difficult problem. I suggest that this bill cannot be the answer. Before I conclude my remarks, perhaps I may be allowed to present my own solution to this social problem which is an extremely important problem.

First, may I make it clear that the remarks made by the hon. member for Davenport (Mr. Morton), who referred to money under certain circumstances as being a commodity, are very true. People have to get bread and butter for their living and a roof for themselves and their families. Under special circumstances they may have to also obtain money for the things they need. Money, therefore, is a commodity that has to be sought on a market in which the factors of supply and demand exist. A person's credit rating will determine how much money can be given. The lending of money, under certain circumstances, can be a life raft to a man. Under other circumstances, it can shackle him and drag him down into a river of debt in which he forages for himself forever among the loan sharks. One pretty method they have for dragging in their clientele is the offer of consolidation. We hear that so frequently. Do not be nagged by a dozen creditors, come in and consolidate your debt. Then, of course, you have one big nag instead of a dozen small nags a month. When the consolidation does not quite work out, the interest that is owing and overdue mysteriously becomes part of the principal. The debt is rewritten, and so the story goes and a small debt becomes a very large debt which can hang like a millstone about a person's neck for all his working days.

Recently I had occasion to examine an example of refinancing in my own city. A man had decided to consolidate two debts on which he was paying interest at 6 per cent, amounting to about $2,500. He secured a second mortgage of $5,200 at 8 per cent, but unfortunately there was a bonus provision

so he actually received two thirds of that $5,200 or about $3,500. He was paying a nominal rate of interest of 8 per cent, but the effective rate of interest when all this was done was 16 per cent, and possibly much greater. Obviously instead of two short term worries which were causing great hardship but which would have been solved in a reasonable length of time, this man adopted a long drawn out process in which he is paying less per month but still exchanging a short term debt for a long term debt under very unattractive circumstances indeed. Perhaps this man could never have solved the problem by the traditional methods. Perhaps no bank would have advanced him the money or he could never have re-mortgaged with the traditional mortgage companies. Perhaps some method of educating him to the use of this money would have served its purpose and saved this man from decades—I am sure it will be decades—of misery.

In conclusion, Mr. Speaker, perhaps I could mention my own solution to this problem if I am not straying too far from the subject matter under discussion. It seems to me that circumstances differ when people borrow money. What is usury for one man may very well under the circumstances be life saving and the proper thing to do for another. The person who is a victim under one set of circumstances comes out very well indeed under another set of circumstances, even though the amounts borrowed are the same and the terms of the payment are the same. In short, a person who goes into a contract to buy money and to pay a large rate of interest on it may do so knowing full well the risk he is taking, and accepting that risk knowing that it is for his benefit. On the other hand, he may enter into that contract knowing that he is the victim of his own circumstances, that he is helpless, that he must accept almost any terms that are thrown at him.

It seems to me then that the best approach the law could make to help such people would be this. I am convinced that they should be helped; and if all else failed, I would certainly support this bill and hope that it could be given proper study. Then it seems to me that there should be a discretion in the law—an act to deal with usury, to make it an offence—so to contrive it that all circumstances could be brought forward and a judge or a judge and jury could determine in any one particular case whether there was in fact usury and unfair practice against the borrower. This could be done at the instance of the borrower himself so that if he felt aggrieved he would have his remedy. With policing done by the person himself instead of the more impersonal policing of society which may not work out in this particular bill, I think we would have an answer.

Mr. William Skoreyko (Edmonton East): Mr. Speaker, once again I rise in my place to take part in a debate in which I participated some time ago. I cannot help once again congratulating the hon. member who proposed this bill because I feel that his intentions in this regard were good. I am sure that he means no ill by introducing it. At the same time I am not too sure in my own mind that this bill is going to achieve what the hon. member has in mind.

Much as I am concerned with the possible hardship on the people of Canada by having to pay high interest rates I am more concerned with the thought that they must be able to continue to borrow money. No matter how or where he wishes to borrow the money he needs, and no matter in what circumstances he may have to pay it back, the decision in this regard should be that of the borrower. Today we have an alternative.

It is hardly fair to suggest that if a person has been refused a loan by a bank, he should not be able to borrow money at all. The alternative is the small loans companies. It is true that their interest rates are higher than are bank interest rates but I suggest that this is where the risk factor comes into the picture. If interest is the reward for allowing someone else to use your money, some part at least must be the lender's reward for taking the risk that he may lose his money.

On an individual transaction the amount of reward by way of interest will set the limit on the amount of risk a lender will take. The one thing that bothers me in this bill is that the rate of interest will be set at 12 percent. I am afraid that this figure may fall short of the incentive that may be needed in order to induce lenders to lend money to people in certain categories. I refer specifically to an individual case of which I know in the city of Edmonton, that of a man who was refused a normal bank loan. This individual resorted to the higher interest institution. He was able to get his money there at a time when the interest rate was less important than was the fact of being able to borrow the money. Today that man is a successful businessman. I do not think that man would be in the desirable position in which he is today had he not been able to borrow this money, even at an interest rate which was higher, so as to be able to establish himself.

Risk, however, has an over-all effect on the interest rate covering any particular class of borrowing. There are always some losses. These losses in the money lending business

are part of the cost of running that business. They are just as much an expense as are office help, office rent, the cost of light and water or the maintenance of the office itself. As part of the expenses of the business they must be included in the selling price of the product. Every borrower therefore must pay part of the cost of losses in his class since it is reflected in the price of the commodity he wishes to borrow. This means that interest will go up or down depending on the degree of losses on that particular class of loan.

Like governments and businesses all over the world, the Canadian consumer also depends on cash loans in order to tide him over emergencies or rough spots. This is a form of service which he has come to expect in much the same way as he expects schools for his children, electricity for his home or life insurance for the protection of his family. The Canadian consumer is willing to pay for these advantages in the form of interest and he expects them to be made available to him.

One important point which many people fail to recognize is that the costs of conducting a credit business are dictated by the size of each transaction. As an example, an institution which could profitably make loans of say $12,000 at 6 per cent interest per annum would find it extremely difficult, I am sure, to make sufficient $200 loans in order to take up that $12,000 at 6 per cent. This conclusion follows because it would require 60 times the amount of work. Obviously then the smaller loans must require a higher rate of interest.

The hon. member for Assiniboia (Mr. Argue) made reference to a banking and commerce committee which sat some time in the past. I was able to obtain some information on the banking and commerce committee which sat in the House of Commons in 1938, and whose report formed the basis for the Small Loans Act. They recognized this cost factor in making smaller loans and expressed this recognition in the following words:

> Quite obviously the purchase of a block of 12-year Canadian government bonds requires little expenditure for investigation and none for supervision; investments in 50 farm mortgages for varied periods entail considerable cost both for investigation and supervision; while the investigation of 1,000 applications to effect loans to 500 people for a few months with meticulous supervision becomes expensive business when expressed as a percentage rate of $100 on a monthly basis.

This quotation emphasizes another important cost factor in connection with consumer loans and interest, the cost of investigating the considerable number of applications which do not result in loans being made. This cost is considerable, as the investigation of applications which do not result in loans is in many cases as expensive as for those applications which do result in loans. The parliamentary committee referred to in the statement I have just made expressed its main objective as follows:

> Throughout its inquiry your committee's objective has been to secure the best procurable rate for the borrower.

It is evident from the exhaustive nature of of the 1956 committee's examination that they had the same objective in view. While keeping in mind that the rate should be set as low as possible in the interests of borrowers, the original committee recognized that, for the same reason, it must also be high enough so that lenders would be able to continue to provide this service. This point is emphasized by the experience in certain of the United States. When changes in the laws reduced rates below the level necessary to produce a fair return to the lenders the supply of licensed capital rapidly decreased. The result was a return of high rate, illegal loans in considerable volume.

In the United States, where small loans legislation was first passed in 1917, a great deal of study has been given to the subject of consumer borrowing by legislative committees. In Great Britain, however, the small loans laws and interest laws are considerably different. The law is not as clear-cut as it is in Canada and the United States. If there is a complaint that the rate in a particular loan transaction is too high, and it is not over 4 per cent per month, the onus is on the borrower to show that the rate is unconscionable. If the rate is more than 4 per cent per month the lender must satisfy the court that it is justified.

During the legislative hearings in 1956 in Great Britain an executive of a British loan company told the banking and commerce committee at that time that in practice most consumer loans are made at a rate of approximately 60 to 70 per cent per annum and that, furthermore, there is no restriction as to the kind of security that may be taken by lenders.

I want to say again that I firmly believe the intention of the hon. member for Assiniboia (Mr. Argue) is nothing but sincere. However, I do hope that he will give some consideration to allowing some body to study the merits of this bill so that there will be some means of determining a right and just form of interest to be set for small loans in the future. On the grounds that I have put forth this evening, Mr. Speaker, I am afraid that if the bill should come to a vote I would have to vote against it.

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, it is a great pleasure to follow my confrère the hon. member Edmonton East (Mr. Skoreyko). It is the first time in this house that I have had a chance to take up right where he left off.

I would like to carry on, if I may, from the last part of his speech; that is, the effectiveness of this bill and whether we should pass it. I suggest that one facet that has perhaps not received enough consideration today is this: How willing are we to interfere with the rights and privileges of the citizens of this country?

Each law that we pass, no matter what it is, may be called in some instances another interference with the freedom of the citizens of this country. Approached in that manner, I suggest that the particular objectives to be gained by this interference must be very carefully studied and weighed alongside the possible harmful effects it may have.

The objective aimed at here by the hon. member who introduced this bill is the protection of the citizens of this country from excessive interest rates. On the other side of the scale I think we have seen clearly that the danger to be reckoned with is the possibility that those we seek to protect may not be able to borrow money at all if we set up a too high and artificial value.

Mr. Speaker, may I call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Nugent: Mr. Speaker, just before the supper break I had mentioned that in considering whether this bill should be voted for or against we had to consider whether it would do more harm than good and consideration of that question, I suggest, requires that we look at the present situation.

The purpose of the bill we are considering this evening is to place on interest rates a ceiling of 1 per cent a month or 12 per cent per annum. I suggest that to look at it properly we should have some real idea whether in this country today anyone is forced to pay more than that a month and, in so far as we can, we should determine what are the factors or circumstances that have caused people to pay more than that rate.

Before proceeding I should say it is not my own personal protection I would necessarily be seeking if I were to speak in favour of this bill. I believe it is fairly well known that while hon. members of this house are not overpaid they happen to have a credit rating unsurpassed in the country so that we can all go into debt at a much lower rate of interest. Not all people in this country are so blessed. Actually some of my friends and relatives and especially many of those who come to me for help in my legal office find themselves stuck with bills that cost them a great deal in excess of normal bank rates, even more than the bank charges me on my overdrafts, I must add.

A proper consideration of what people are paying by way of interest must in my opinion take into account some of the factors which influence interest rates. Since interest rates are determined, on one side at least, by the willingness of people who have money to lend it to others who want it, it is perhaps a good idea to start with some of those considerations which lead people with money to lend into the lending business. What are some of the factors which induce a man to invest his money in a bank, business or loan company rather than into a service station, garage, saw mill or grocery store? Obviously people enter the business of lending money for the same reason they enter any other business. It is an investment. People invest their money to make a profit.

I suggest that a good starting point in considering some of the possible effects of the bill before us is to examine some of the problems confronting those who go into the finance business. Every business has its own financial problems, even the money lending business. Every business must contend with a few fundamental expenses and must undertake some risks and uncertainties. These are some of the basic factors of the matter of going into a business with the idea of making a profit.

I suggest that financial houses of every nature and kind whatsoever face the same business problems that are faced by our local garage men and corner grocers. To do business you must get business. You must attract customers. You must have something to sell. You must convince the public that you are the person with whom to do business. And so, even in the lending business, it is automatic that you will have one overhead expense, the cost of financing your advertising. It may be that your advertising will cost you in direct proportion to the competition in the field, to the type of audience you must reach and to the type of advertising medium that is necessary to reach that audience which is most likely to need to borrow money.

Next, you must figure on the cost of your own money. Most finance people lend other people's money. Because they are so safe, banks are able to obtain money from people

who are interested in saving, the safest possible way in which they can keep their money and earn interest. Banks lend that money. Most people I know are not accustomed to thinking of bank deposits as a source of loans but banks do business with the money which they borrow from investors. Because of their very secure position they are in the happy circumstance of having to pay a very small premium for the use of it. However, there are others who borrow from banks, including finance companies. I suggest we would be most unrealistic if we failed to take into account the legitimate cost to the finance companies of the money they must borrow from the banks.

I suggest also that whether or not they borrow from the banks, if they are financing, entirely depending on their own capital, they must as a cost of their business include the amount of money that that capital could earn in any other business, even at a modest rate of 5 per cent or 6 per cent at which most people can borrow. So that that is an item of cost of at least 5 per cent or 6 per cent as it is for most businesses.

Naturally they require a staff of personnel. They are making loans and therefore they must have bookkeepers and auditors to check their accounts. They must, as all other businesses do in this complex society of ours, have perhaps a little extra staff to keep track of those records, the keeping of which we have of necessity imposed on them over the years, the returns to this and that government department, income tax deductions, unemployment insurance records, and so forth. The cost of overhead in financial institutions, as in all other businesses, is a considerable item which must be paid for by someone.

Since there is not sufficient lending money, and since lending money is a good business only to the extent that you follow sound business practices, it requires good judgment on the part of management in selecting those with whom they will do business. There is, therefore, a good deal of staff work on every application for a loan. It is necessary to know what type of person you are dealing with, to know what security he has, what are the chances of having your money repaid, and perhaps in some instances a case history of the person with whom you are dealing and his record. It may be necessary to check the value of securities and most of those factors which go into determining that perhaps the most important factor of all is the risk you are running in doing your business.

It is in this business of lending money that we really find the risk factor to be all important. It is a straight case of cash being handed to some person. I suggest to you, Mr. Speaker, that just a cursory glance at the criminal convictions in this country for any short period of time would indicate that it is not really insulting the Canadian people to suggest that there are some dishonest people among us. In fact, the easier it is to steal money the easier it will be to find the hardest working people among our criminal element. Since the easiest thing in the world to steal and to make use of is money, the financial institutions of all kinds are likely to find that attracted to the market are criminals who calculate that the easiest part of the job is where there is no risk of getting rid of the money when you get it.

Therefore, of necessity investigation must amount to a pretty healthy, shall I say, insurance item in this regard. The financial institutions have to be sure first of all in so far as they can that they are dealing with honest men. But this is really only a start. Even if the borrower is honest, such a factor as his general security rating must be taken into account. Does he have a house and furniture? Does he have a steady job? Has he been long in the community? Does he own a car? How much are his debts? What is the worth of all this?

Next is the extent of the loan, the period for which he wishes to borrow the money. If he looks too good in one way, then why has he not gone to an institution which will charge him less for the money? This in itself could appear suspicious enough to warrant further investigation. All of these questions are most pertinent, because, of course, every mistake that the financial institution makes in this regard means a loss, not just of the interest that is charged for advancing the money but on the capital advance itself.

Now, as I said, I am considering some of the cost factors that people in the business of lending money have to take account of and since those who borrow must of necessity pay all the costs that are incidental to running that business and provide a profit to the man himself before he goes into it, we have in those considerations that I have enumerated some very specific items that are brought to bear. Certainly it cannot be expected that a man who has to build his own house and who has paid for practically all of it and who owes on a $10,000 house only $2,000, who has a car that he has paid cash for and a house full of furniture on which he owes nothing, a steady job that he has held for 10 years or 15 years, and a couple of promotions in between, is going to borrow money, taking into consideration the risk factors, at the same price as a recent high school graduate who perhaps may have married too young, taken a job with a new company in a new location, who does not

own his house and has not had time even to acquire furniture free of debt; who does not own a car but merely has loads of responsibilities and nothing to tie them to that location, and in fact nothing that can probably make them move faster than an overbearing load of debt.

I suggest, therefore, that bearing all this in mind we must find this risk factor of such considerable importance that taking into account all the other costs of running this finance business and allowing first your bank interest as a capital cost of running the business we have an awful lot to squeeze in to make the 5 per cent or 6 per cent that stands between that cost of the capital and that return which this bill suggests should be the maximum in any event for any loan.

But I suggest to my colleagues in this house that we have only begun to scratch the surface when we have considered risk only or the cost of running the business. I suggest that the cost is only one item. Risk is another item. There must also be the attractiveness of the business itself if we are going to induce anyone to lend money or come into the money lending business at all. Therefore, I suggest we must consider what competition there is for the money. Certainly we are old enough and have been around long enough to know that the price you pay for anything may be considerably influenced by the supply of that item at hand. If there are too many automobiles on the local car sales lot in a small town where in fact there are only 40 potential customers and 200 cars, we are going to have what would be called a buyers' market, and it is the same story with money.

In certain circumstances at certain times and in certain localities it may very well be that every basic industry is earning very good profit. It may be that the local retailers, the local service businesses, are earning a return on their capital much in excess of the 12 per cent suggested by the bill and that in these localities at these times and under these circumstances there would not be a single person in the money lending business. I suggest that business conditions may never be quite so good that there is no one in the money lending business but certainly we have seen periods when business generally has been so good that for a period of two or three or perhaps more years people have been able to invest in any number of businesses without the degree of risk that we find in the finance business and with a much better assurance of a higher return on their investment.

I suggest that the basic problem today is that we have not given enough consideration to the fact that over the years we have seen built up in this country so many finance companies, so many lending institutions, so many places where one can get money at interest rates so much in excess of 12 per cent per annum. There must be a reason for the growth of these businesses and there must be a reason for interest rates in excess of 12 per cent.

Obviously the demand is there. We happen to have in this country such a high percentage of people who for various reasons must have money that they are willing to pay more than 12 per cent, and I am suggesting that this is where we run into our major difficulty. I say there are various reasons. I have mentioned the example of the young couple just starting out. The young husband must have a few necessities to furnish a home for his young bride and perhaps he is young and foolish as well as desperate enough to pay much more by way of interest. But between that type of case and our solid businessmen we have any number of independent-minded Canadian citizens who have great faith in their own ability, some of whom, like the one mentioned by the hon. member for Edmonton East (Mr. Skoreyko) earlier today, happen to have a greater knowledge of the business in which they wish to become engaged and its opportunities than those in the loan business. All the way down the scale, whether it is a matter of pressing needs of the moment or the vision of a man who is going places in business, each one of these people has for his own reasons, for his own needs and desires and to attain his own ends, decided to pay more than 12 per cent.

When I started my few words on this subject I suggested that every law we introduce here must by its very nature be a curtailment to some extent of the freedoms that we all enjoy. Here is my principal fear with regard to this bill, that up to this time and especially in these days of world tension and a feeling of insecurity generally we have seen and are seeing more and more an attitude of looking to the government to do things for us, to take care of us, to make sure that we do not by our own foolishness get into too hot water and of looking to the government to pull us out of the hot water when we do get into it.

I am suggesting that this is not the spirit that we must foster. This is not the spirit that has made our country a rapidly progressing one. This is not the spirit that is needed for democracy itself. I suggest that those who feel most strongly a necessity for us to mollycoddle people to this extent would really,

whether or not they recognize it in their hearts, be much happier in some country behind the iron curtain where most of their worries would be taken care of for them.

As a lawyer I have had much experience of the hardship suffered by those who have been adversely affected by high interest rates, but my principal objection to the bill is that we seem to forget completely that it is not a hardship to have to stand on your own feet, that it is very important for each and all of us and for this country to foster the spirit of the man who says: I will take my own risks, I will make my own way, I reserve the right to be a damn fool in this way if I want to but I want my freedom.

Mr. M. W. Martin (Timmins): Mr. Speaker, when the hon. member for Halifax (Mr. McCleave) spoke on the bill this afternoon he made note of the lack of interest in it on the part of the official opposition.

Mr. Deschatelets: The debate is not finished yet.

Mr. Martin (Timmins): I do not know about hon. Liberal gentlemen to my left. Just over a week ago they met together to develop a new policy and certainly with regard to high interest rates their policy apparently is silence. But I must say that I believe the hon. member for Halifax must have had his tongue in his cheek if he implied that the members of this party are not interested in this bill.

I believe he first came to the house at the same time as I did and that this is the fifth session we have both attended. This is the fifth time that members of this party have introduced this bill in the house during that period. In that time we have heard many speeches, some good, some bad. We have heard many pious platitudes but we have yet to see the house get around to voting on the bill. I would suggest to the hon. member that opposition members are becoming, so far as this bill is concerned, a little bit like people across the country. They are getting sick and tired of all talk and no action.

I have spoken on this bill in previous sessions. I have put the case for the bill before the house as have other hon. members in this group. It is my intention tonight to devote the time at my disposal to rebuttal, which I believe is in the interests of proper debate, of some of the points made by hon. members on the government side. I am not one of those who maintain that all Tories are bad. Unfortunately only the majority of them are.

For example, Mr. Speaker, we heard a very good and forthright speech by the hon. member for Matapedia-Matane (Mr. Belzile). I must say I was delighted to see a member on the government side have the courage to come out and say that only two years ago when this same government was in power it appeared that instructions had gone out from the Bank of Canada to the chartered banks to cut down on small loans so that people who were in need of such loans would have to go to these finance companies. That is the kind of thing we should hear more of from government members. It should not always be left to the opposition to bring out points of this kind. I was delighted to see that the hon. member had the courage to stand up and disagree with the Minister of Finance (Mr. Fleming) who claimed the very opposite at the time this point was brought up by members of the opposition.

It is my opinion, Mr. Speaker, and I think it is the opinion of many others in this country, that the duty of the Bank of Canada should be to serve the interests of the people of Canada and not be used in this way for the purposes of the moneylenders. This amounts almost to a monstrous conspiracy, Mr. Speaker, a conspiracy to gouge the public, to gouge the unwise, those people who are ill equipped to defend themselves.

I regret, Mr. Speaker, that toward the end of his speech the hon. member tended to weaken what I thought was an otherwise excellent speech by trying to make the point that action taken by the government at this session is going to go some way toward correcting this situation. Regardless of the merits of any action taken by this government at this session, it is not going to deal with the problem with which we are dealing in this debate. It may help in other fields, but it certainly will not help in this one.

Then, we had the hon. member for Davenport (Mr. Morton), for whom I have great personal respect, and his speech in this debate was mostly good. However, I thought he tended to treat the situation rather lightly. He tended to feel that the hon. member for Assiniboia (Mr. Argue), who introduced this bill, was slightly unfair. He felt the remarks of the hon. member for Assiniboia could be construed as making a charge that was applicable to all the people in the money lending field, whereas it was only the greedy moneylenders who should be charged with gouging the public. I believe the hon. member completely missed the point, Mr. Speaker. These greedy moneylenders, as he calls them, are operating within the law. This bill is designed to change that law so they will no longer be able to operate in that fashion.

I would suggest, that the innocent people in the money lending field to whom the hon. member referred should welcome legislation of this kind because they are, in fact, tarred

with the same brush. The hon. member for Davenport also tried to make a case for the charges made by these companies over and above the interest charges. I should like to know what the interest charge is for if it is not to pay the administrative costs of these companies. I am not familiar with the operations of finance companies because I have never worked for one and I have never dealt with one. However, I am quite familiar with the operations of credit unions. I know that the maximum of 12 per cent which is charged by credit unions—in fact, in many cases it is much less than that—looks after all the costs of operation of the credit unions. This 12 per cent is to look after the costs and to pay interest to the people who invest in credit unions, as well as to set aside a sum every year to take care of uncollectible debts.

Mr. Speakman: Do they pay any income taxes?

Mr. Martin (Timmins): If the hon. member is not familiar with the operations of credit unions in this day and age I would advise him to join one so he could ascertain how they operate. The income tax is paid by the individual who draws whatever interest he draws from that credit union. This goes in as income, and the tax is paid in that manner.

The hon. member for Davenport suggested this was not something for which we could have a simple answer and it should be given a lot of study. I would suggest that after five sessions, and after a full day of debate in each one of those sessions, it is about time we had a vote on the bill rather than further study of the subject matter.

Then, of course, Mr. Speaker, we had the hon. member for Winnipeg South (Mr. Chown), who started off his remarks by expressing sympathy for the people who were caught in the toils of these finance sharks or money-lenders. I think it is quite true to say that sympathy expressed by any hon. member in this house is not going to make the payments on the washing machine for the people who are caught in these traps. After expressing his sympathy, the hon. member went on as usual to defend the finance companies. I should like to compliment the hon. member because he had the honesty to come out and defend what he believes. It is obvious to me that he represents the majority of the members on the government side because if he did not they would have done something about this in the last five years.

Then the hon. member went on to talk about the noble role that finance companies play in our society. They make money available to people who cannot get it elsewhere. I would suggest, as was pointed out by the hon. member for Matapedia-Matane, that one of the reasons they cannot get money elsewhere is that this service is denied through the proper channels. The hon. member went on to say that it was not really too bad for these companies to gouge the public as long as they paid income tax. In my opinion, this was the worst defence for action of this kind. One needs to go only a step further to condone Chicago gangsterism as long as the gangsters pay taxes.

The hon. member went on to point out that 14 companies had lost money or were losing money. As the hon. member for Matapedia-Matane suggested, it is very easy to juggle the books in this game and to make a statement that so many companies make so much money. We should consider their costs of promotion, and I do not say advertising, I say promotion. I think there is a distinct difference between the two. I am sure hon. members who have had to fight an election campaign by using the T.V. medium realize that television costs money in this day and age. If you are on television as often as most of these finance companies are, then your costs are going to be very high.

In my opinion the most fantastic defence of all was the statement by the hon. member for Winnipeg South that the finance companies were not really so bad because they provided employment across the country. If ever there were an example of Tory employment, this would be a good one. It is evidently a good thing to employ people across this country to gouge the public the way the finance companies have, as has been put on the record on more than one occasion.

I wonder if the hon. member realizes that one of the major problems facing this government today, the problem of unemployment, is caused to some extent by the fact that the people who are caught in the toils of these finance companies pay 33 cents of every dollar for interest and other charges. Once this money is lost to the purchasing field, a chain reaction is set up. This one third of the purchasing dollar which is siphoned off at this level means there is that much less consumer goods purchased by the consumer. It means the people producing these goods have to be laid off. Furthermore, it means that this government will have to find money to pay unemployment insurance benefits to these people. This sets up a chain reaction. I think if the money these people pay in taxes were tallied up and the employment they provide counted, that would certainly be more than balanced by the disadvantages that accrue from their operations.

The hon. member for Halifax again referred to the cost of operation of some of

these companies, and I do not know where he obtained a figure as high as 13 per cent. He then went on to suggest that maybe the reason for this situation was the high proportion of uncollected debts owing to these companies. As I said, I do not know what the average is of uncollectable debts of the finance companies. I have been told by former managers who worked for them, until they finally became so sick of the whole business that they were compelled to get out of it and get into another field, that the proportion of uncollectable debts is nowhere nearly as high as the public is led to believe. However, I know that in the credit union movement the figure amounts to less than one half of one per cent.

In order to accept the suggestion made by the hon. member that it is because of this high amount of uncollectable debts that the interest and carrying charges are so high in these finance companies, I should like to know the reason for the difference between the uncollected bills of the banks and credit unions and the supposedly uncollected bills of the finance companies. If there is that much difference I would suggest that one of the major reasons is that the public has a respect for the credit unions in this country and for the banks but that the public has no respect for these loan sharks, and certainly they have no reason to have any respect for them.

The hon. member for Edmonton East (Mr. Skoreyko) made one point and unless I misunderstood him I must confess that I was rather shocked. As I understood what he said, in making a similar point he said that the reason for the high cost of these finance companies was the class of people with whom they were dealing. I do not think the people across this country are going to appreciate too greatly that type of remark.

I think of the honest people who have fallen into these traps that we see set every day on television and advertised in the newspapers: "Come in and consolidate". They should say "Come on in and compound your financial problems", not "Come in and consolidate". I am thinking of the many thousands of immigrants who have come to this country and who, before they become accustomed to the financial system here, find themselves almost hopelessly embroiled in the clutches of these finance companies. I am thinking of the people who have turned to these companies in desperate circumstances, the people whom the banks are unable to help. I have had more than one bank manager tell me that many times they would like to grant loans but they are unable to do so because they have instructions otherwise. I do not think it is right or proper for any hon. member to pigeon-hole all these people as a class who deserve what they get because they do not pay their bills.

Most hon. members who have spoken in this debate, both on this occasion and on previous ones, have expressed concern about the problem. However, I would suggest that this problem will never be solved as long as it is legal for financial buzzards to prey on the unwise and unfortunate in this country. The banks must be freed from whatever control it is that prevents them from making small loans to our citizens, when they refuse to grant loans to citizens but will grant loans to the finance companies which, in turn, will lend to the citizens. The banks must be freed from whatever control it is that prevents them from going into this field. The credit unions and the caisses populaires must be nourished and encouraged to take an even greater share than they have taken in this field, and the finance and loan companies that come under condemnation in this bill must be checked. As long as they know that all we are going to do is talk about the matter in this house, they have nothing to fear. As long as they see five sessions in a row when this matter has been discussed and no decision has been arrived at, they have little to fear. I would say that the only way in which to take the first step in solving this problem is to have a vote on this bill.

Mr. W. H. McMillan (Welland): Mr. Speaker, the hon. member who has just spoken and, I believe, an hon. member on the Conservative side this afternoon referred to the fact that we in the Liberal party have not spoken on this bill. I am in favour of lower interest rates to all sectors of our community, particularly to those in the lower income group who must avail themselves of money from the small loan companies. These rates are extremely high indeed. Our party is in favour of lower interest rates generally. We will vote for the second reading of this bill if it is allowed to come to a vote. However, evidently the government members are ready to talk it out, we shall not have a chance to vote on it and this bill will die this session. This filibuster will kill the bill.

I listened to the remarks of the sponsor of the bill this afternoon; I refer to the hon. member for Assiniboia (Mr. Argue). He described the conditions of people in the small money market. If the conditions are half as bad as he said they are—and I have no reason to doubt his word—I think this matter should be referred to the banking and commerce committee so that they might hear some evidence and send for persons and papers. In that way I think we could come

to a better understanding of conditions in the small money market. We should like to vote for this bill but I fear that we are not going to get any chance to do so. I should therefore like to move, seconded by the hon. member for Trinity-Conception (Mr. Tucker):

That the bill be not now read the second time, but that the subject matter thereof be referred to the banking and commerce committee for consideration and report.

In my opinion, Mr. Speaker, the government would not be tied by any decision or by any report. The motion does not tie the government to anything. It just empowers the committee to hear evidence in connection with conditions in the money market.

Mr. R. S. MacLellan (Inverness-Richmond): In rising to speak on the motion for second reading of this bill and the amendment I first of all, along with so many other members who have spoken, offer my congratulations to the hon. member for Assiniboia (Mr. Argue) for introducing this bill today. Most members of the house, whether or not they have spoken on the bill and whatever side they have taken in the debate, have expressed the opinion that this is a matter that should be examined and, above all, is a matter worthy of the concern of the house at this time. I certainly agree that it deserves this attention, in particular since the problems of consumer financing and the questions that revolve around the matter of interest on consumer loans are growing in complexity every day.

Actually the instalment buying system, or the method we now have of distributing goods by virtue of the instalment contract, is a relatively new thing. Only a few years ago credit in the consumer line was much simpler than it is today. If a man wished to buy goods he bought them, charged them to his account, if he had credit at the retailer's, or if not he arranged at a bank or with a friend for the credit to carry him over until he could repay his loan.

This was relatively simple and the credit limits of the borrower, or the purchaser, were well defined. But today we have a situation where oftentimes the term "purchaser" and the term "borrower" are synonymous. A large percentage of our people today who go to a store to buy goods—cars, appliances, all manner of household goods—plan while they are there to arrange for the financing of these goods. The retailer has become not only a purveyor of goods but also a financier for many people.

From my experience as a lawyer doing business with finance companies and people who had done business with finance companies, acceptance corporations and instalment buying generally, it seems to me that more and more people are relying upon the retailer to provide their financing for them and to decide whether or not the financing system is satisfactory.

It seems to me that too few people bother any more to read the finance contract that they sign. Too few understand the agreement they are entering into, and very few seem to appreciate the rate of interest that is involved in the transaction. As a matter of fact the situation as regards the finance companies which dispense funds by way of loans, such as Household Finance, is not as bad as some aspects of the general instalment financing that is done by department and retail stores and, I think, by the acceptance corporations.

The consumer loan companies, as they are called, are now regulated by the Small Loans Act and except in the case of loans under $300 there is a limit now of 12 per cent on loans up to $1,500. Over $1,500 there is no limit in law to the interest which can be charged. I sincerely believe the latter is a field which should be studied very carefully. I understand that while loans in this bracket are not as numerous as smaller loans—generally speaking the consumer finance companies are set up to handle and prefer the smaller type of loan—at the same time loans over $1,500 are becoming more common and the interest rates on them are certainly considerable.

It seems to me, however, that a bill of this type is not the whole answer to the problem. I support the amendment that the matter should be referred to the banking and commerce committee, because it certainly is not a simple problem. The first thought of the ordinary man in the street, or in this house, for that matter, in considering a bill like this is that 12 per cent is enough interest for anybody. Indeed, that is my first reaction. I am sure that in most cases interest of 12 per cent is enough for anybody. Indeed, in some cases it is far too much. But on the other hand I think we have to acknowledge that there is a danger that the passage of this bill would act to prevent people who need and want credit in certain high risk fields from getting it when they should have it. Indeed a case can be made out that there is a certain area of lending where an interest rate of 12 per cent is not at all excessive.

Interest rates are generally set, of course, by supply and demand on the market. I remember when I first began to practice law in my home province of Nova Scotia the prime mortgage rate was 4 per cent. Some 12 years later it was almost double that. The difference was not in the value of the security, because if anything I think the

security of properties in my part of the province was greater in recent years than formerly. But the difference was that the supply of money for mortgages was not nearly as great in the latter part of the 1950's as it was in the latter part of the 1940's.

Since money was not in such great supply the mortgage companies had to pay to the investor a higher bond yield so he would make his money available to them. When they added to that the cost of administering loans they were able to say with justice that they needed a much higher interest rate in the late 1950's than they required in the 1940's, when the supply of money outran the demand in most cases. Supply and demand affects interest rates; there is no question about that.

Another thing that affects interest rates, of course, is the risk involved in the loan. Where interest is considered as the reward paid to a lender for the use of his money it is obvious that a man is not going to lend money for the same reward, or price, on a dangerous risk as he would on a good risk. It is also obvious that that is the reason why on most mortgage risks the interest rate is much lower than it is on unsecured loans. All these factors enter into what the interest rate should be and what it is at any particular time.

For that reason, in considering any proposed legislation such as this bill now before us respecting maximum interest rates, we must consider the various types of loans that are made available and how the bill will affect each type of loan. Anyone who would suggest, for example, that the bank rate should be increased from 6 per cent to 12 per cent, or that the banks should be allowed a maximum of 12 per cent would be scoffed out of court. We feel that for business loans 6 per cent is high enough. At the same time many of us will forgive the banks for not entering into the personal loan business in a big way over the years, with a return limited to 6 per cent.

I have mentioned the risk situation and the supply situation. Another very important factor in determining interest rates—as has been said so many times here today—is the cost of administering the type of loan that is made available. Obviously if I borrow $10,000 from a mortgage company or a bank it costs much less for the lender to earn his interest on that money than if I obtained 100 loans of $100 apiece. The same checking has to be done on small loans as on large ones, because no matter what the amount of the loan the lender wants his money returned.

The cost of lending money is much greater in the case of non-business personal loans. The cost of collecting the money is much greater, and of course we do have to give a margin to the man or the company who is in that field for the extra work, trouble and expense to which he goes. However, I feel that there is one particular area of consumer financing where a 12 per cent interest rate would certainly be sufficient, and I refer to the field of the acceptance corporations.

If I go to a car dealer to buy a car on credit the usual situation is that the dealer, after requiring a certain down payment, will ask me to sign a contract to repay the balance owing on the vehicle along with finance charges. I then sign the contract and also a note in which I undertake to pay separate from the contract the amount of money owing on the car plus the finance charges and usually also insurance charges.

If this were a contract between the dealer and me, and the dealer were wondering whether or not he could collect his money there might be some excuse for the high interest rate in view of the risk factor and the cost of administering the loan. But what actually happens is that the car dealer or the retailer of appliances, as the case may be, has in fact nothing to do with the loan. Rather he assigns that contract and the note to the acceptance corporation. Then I must turn up weekly or monthly to make my payments to the acceptance corporation. The rate of interest on these purchase contracts is usually very high. Certainly the rate is high compared with 6 per cent charged by the banks. I cannot help but wonder what justification there is for such high rates in cases of that kind. The acceptance corporation has much more security than the banker ordinarily does on personal loans. And certainly he has twice the security of the consumer finance company which makes an unsecured loan directly to the customer in its office.

The acceptance corporation first of all has a chattel mortgage or rather a conditional sales contract mortgage on the vehicle. Secondly, the acceptance corporation has my signature on the note so that if it must repossess the car and sell it, I can be sued by it for any deficiency on the resale price. In addition to that, since I have signed a note to the dealer as payee which he has endorsed over to the company, the dealer's signature is on the note as an additional endorser. The security of the acceptance corporation is the vehicle itself, my endorsement and the endorsement of the dealer. Certainly the amount of risk in a transaction of this type is small indeed. Indeed, in actual practice if the car is repossessed the acceptance corporation need not even find a market for it. The company

merely returns it to the dealer, who under his contract with them is bound to pay the acceptance corporation the balance owing on the vehicle. The dealer in turn must sell the car to get what money he can and if he is interested in so doing he may sue the initial purchaser of the vehicle for any deficiency.

My argument is that, in the case of the acceptance corporation merely accepting contracts from retailers, they ask very high interest rates in relation to the risk they take and the work they do. Indeed I might go further and say they take so little risk the interest rate paid to them is chiefly payment for their work of administering the loan in place of the retailer. It seems to me this would be a proper case for an inquiry and perhaps for an agreement with the provinces which would allow a national regulatory act to come into being with respect to acceptance corporations and instalment companies.

I also believe that the instalment purchase system used by department stores and retailers generally, since it is becoming so important in our modern merchandising, is a field that would be well worth our searching inquiry. I feel that conditions could be improved by introducing some regulation to the system. It is vital that our free economy should be kept free; and that we should interfere as little as possible in the producing and merchandising sectors of the nation. But on the other hand it seems to me that this is a sphere where we could well exert some control as we have done in the case of bank loans. I think the public and the nation would be better off as a result of some machinery to regulate interest charges on instalment contracts particularly in the field of lending of acceptance corporations.

Certainly, however, the answer to the whole problem of the modern citizen in relation to the retailer-financier is not to be found solely in regulation. Some hon. members have spoken of the work done by the credit unions in providing a source of credit to people who otherwise would be unable to obtain it except at high interest rates. While this work has been important, even more important has been the educational work the credit unions have done in this field. Many people who knew little or nothing about financing or modern merchandising methods before joining a credit union, or coming into contact with credit union philosophy, have achieved a better understanding of modern business and of the type of contracts they were entering into with the retailer on the street and merchandise dealers generally, as a result of credit union educational programs.

The best answer is education. Before children leave school they should have some knowledge of interest and instalment purchasing. It seems to me there are too few people who really understand how much interest can increase the cost in the purchase of a car, a home or other goods. Few realize how much the cost of goods can be increased by high interest rates. Certainly it is as important to children as any other part of their education that before they leave school they should be taught what instalment contracts involve and the fundamentals of modern buying and selling.

I agree in principle with the mover of this bill and of the amendment. I hope this subject can be studied more exhaustively either by the banking and commerce committee or a special committee because it is a field which will bear more inquiry as years go on and the merchandising methods of today are extended to additional products.

Instalment contracts have gone hand in hand with mass production and probably mass production and the cheap goods resulting therefrom would not have been possible without the combination of modern merchandising and financing. We reach into many fields to see that the public is protected and to ensure that there is little room for fraud, exploitation and the operation of the clip artists. We could well do it in this sphere as well.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I only want to talk a few minutes so that this important legislation may come to a vote. A few moments ago, the hon. member for Welland (Mr. McMillan) submitted to the house an amendment to the bill proposed by the hon. member for Assiniboia (Mr. Argue), and, if I am in favour of the principle of Bill C-3, which would mean a protection against the flagrant abuse of our working classes, it becomes quite obvious when reading the bill—and I know very well that the hon. member for Assiniboia has no illusion on the matter—that it will not solve the problem of high interest rates.

Many times, in the course of our law practice—and I think that all hon. members who belong to the legal profession will agree with me—do we see legal action taken against people who, after having paid the total amount of their debt and part of the interests are sued for a considerable balance of interest? In those instances, we always say: you are dealing with finance sharks, your are entirely without protection, there

is nothing we can do except ask for an extension of time to enable you to pay the balance.

Today, instalment buying has entered our way of life to stay, and we hear often of teams of salesmen who, having been trained for selling from house to house, do some high pressure selling, and often under false pretences, of goods at exorbitant prices. And the buyers, often after having signed a contract they do not quite understand, wake up to find that they are owing considerable sums of money at an extremely high interest rate.

Mr. Speaker, I think that from the social point of view, we cannot leave people unprotected and that it is time the government put a stop to the practice of charging unduly high interest rates, so as to protect the unwary.

I feel that the amendment put forward by the hon. member for Welland is a good answer to this problem. If Bill C-3 is not an answer to the problem, we should therefore give it careful study. Indeed, was it not the Prime Minister (Mr. Diefenbaker) himself who said that he had to keep his many members occupied and that the best way to do so was to keep them busy in the committees? Well, here is a perfect opportunity; let the matter of high interest rates be referred to an appropriate committee. That committee could at one and the same time go into the matter of interest rates charged by the banks, the caisses populaires and the lending institutions. I feel that if a comprehensive study of the problem were made, that committee could come up with interesting suggestions. The government could then introduce a bill to meet the problem of high interest rates.

Today people sometimes wonder why chartered banks do not engage directly in car sales financing, for instance. I am fully aware that a few years ago when the going was good—I refer to the years prior to 1956 and 1957—some banks had undertaken to finance that type of contract, but since the rate a bank is allowed to charge is restricted to 6 per cent, they were unable to meet the demand.

In my opinion, if the committee on banking and commerce considered the matter, it might result in banks being able to engage in this type of financing. I am convinced that chartered banks would not charge 12 per cent but that they would be satisfied with an interest rate not exceeding 8 per cent.

Mr. Speaker, there are two undeniable facts. On the one hand, as I was saying earlier, sales on the deferred payment plan exist and will perhaps be even more readily available in a few years, while, on the other hand, loan companies can also render services to people in cases where chartered banks and credit unions might not be in a position to do so. It is therefore a question of finding out what legislation could answer the needs of those who wish to borrow money.

I think that the amendment introduced by the hon. member for Welland should be put to the vote by the government and that we should look carefully into this matter this very session.

Mr. Speaker, the hon. members who have spoken before me have pointed out the fact that members from this side of the house have not yet taken the floor. Now, the proposed amendment which constitutes a proper solution to the matter now under discussion was introduced by a member of the official opposition. We are therefore providing the government with an opportunity of finding an answer to this problem.

I hope that the hon. members opposite will stop talking before ten o'clock so that the amendment of the hon. member for Welland may come to a vote.

(Text):

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I find that while I can agree with the spirit of the amendment. I cannot accept the wording of the bill although I can agree with its spirit also. I believe the members of the C.C.F. group could do a service to this parliament if they would put a little more research and hard work in preparing the bills which they bring before this house. All that we have heard from the two spokesmen of the C.C.F. party are intemperate, wild and unfounded statements. For instance, Mr. Speaker, if you refer to the speech made by the hon. member for Assiniboia (Mr. Argue) when he introduced this bill on February 12, 1959, you will find that in three places on pages 951 and 952 he suggests that the chartered banks should be charged with providing money in small amounts, and that they were not doing this job. And yet, when he introduced his bill today he took a fair amount of time telling us how he believed the chartered banks were cutting corners because they are lending money in small amounts to small borrowers. He intimated that they are acting in a strictly illegal manner when they do this.

The hon. member for Timmins (Mr. Martin), who certainly should know better, referred to the fact that this is the fifth time and he thinks it is the fifth full day of debate on this bill. If he will only cast his mind back to last session he will recall that he was

closest to the flood of oratory from the hon. member for Skeena (Mr. Howard) and the hon. member for Timiskaming (Mr. Peters) who filibustered for the entire session and not only this bill but all bills put forward by a private member were held up. No bills got other than first reading which, as the hon. member knows, is strictly a formality in introducing a bill into the house and takes only a few seconds. Yet he stands up and in spite of this recent event, the memory of which should be in his mind, makes this statement. He goes after hon. members on this side of the house who have spoken, who have honestly and conscientiously tried to place the bill before the house in its proper light by giving the points in favour and the points against. Oh, he says, they are not doing their job. This is not what they are supposed to do. He says that they are filibustering. As an expert in filibustering himself perhaps we should take his word, but this is not so.

Members on this side of the house are trying to do the job that the sponsor of the bill should have done and did not do. The sponsor of the bill should have prepared a case. He should have been able to give us facts and figures as to the profits made by these loan companies. He should have been able to present a case to the house which could have been debated and a decision then arrived at, but all we got was sound and fury, wild accusations as to the horrible part played in our economy by the loan sharks. That phrase was repeated time and again. He damned everybody who lends money as being a loan shark.

In his rebuttal, as the hon. member for Timmins called it, he carried on in the same way. He referred to the hon. member for Davenport (Mr. Morton) saying that certain loan companies had lost money and, according to the hon. member for Timmins, the answer is that they juggled the books. He talks about people being victimized by very high rates and says it is because service is denied them through the proper channels. What proper channels? What facts are we given? What work has been done by members of the C.C.F. party in preparing the case to put before the house so that we can come to a reasoned decision? I suggest that they did not do their homework. They did not prepare the case properly and that has been the reason for this day-long debate during which members on this side of the house have earnestly tried to search out the truth with respect to this problem.

This is a seemingly simple bill, Mr. Speaker. It simply says that no one shall charge any interest rate in excess of 1 per cent per month and that is the end of it. The job we have had to do is to show that the problems is not that simple. Since the beginning of time legislatures have tried to cope with the problem of usury and as recently as 1956 representatives of all parties in the house sat on a committee that considered representations from all interested parties and the result was the Small Loans Act. That is not such a long time ago and conditions have not changed so drastically since.

This does not mean that a case could not be made out for amendments to the act but not in the form in which the hon. member for Assiniboia has presented them because all he has done in his omniscient, omnipotent and all-knowing manner is to say: This is the answer, accept it and there you are. That is why I say that the amendment proposed by the official opposition brings a breath of reason and sanity into this debate which has been lacking in the presentations made by hon. members of the C.C.F. party.

Mr. Martin (Timmins): Will the hon. member permit a question?

Mr. Broome: Certainly.

Mr. Martin (Timmins): Does the hon. member think it could bring about a vote?

Mr. Broome: I do not know. I have not the faintest idea how many members wish to participate in this debate. We on this side believe in the free discussion of every problem that comes before the House of Commons. I am not one who is going to try to deny the right of any hon. member to speak in any debate to which he feels he has a contribution to make. I have noticed that members of the C.C.F. party have never hesitated to pose as experts on every subject that comes before the house. All you have got to do is look at the index of *Hansard* to see what restraint they have exercised.

Mr. Cardiff: Whether or not they knew anything about the subject.

Mr. Broome: That is exactly the point I have been trying to make. Society today is built almost entirely on credit. I would venture to say that the cessation of credit would bring about a depression of a depth and magnitude which would satisfy even the fondest hopes of hon. members on the other side. They would get everything they want. If we dry up credit, if we try to stop this way of life we have developed we will be in trouble. I am not saying that the system is good, bad or indifferent but I am saying that we live in an age in which our economic life is based on credit and credit is perhaps the most important factor in our western economy.

Such a bill could be of advantage by eliminating abuses but it could also do irreparable harm. It is like tinkering with

the control mechanism of a mighty engine. It cannot be done in a brash manner. It must be done after full investigation and having obtained full knowledge of what the results will be. Therefore the amendment to refer the bill to a special committee which will be able to study all the problems and to assess what are the true costs of doing business and what are proper interest rates is a welcome one. I honestly do not believe that the hon. member for Assiniboia knows what are the proper rates that should be charged for different types of business and under varying circumstances.

These are answers that would have to come out and the answers would not be easy to arrive at. Such answers would have a profound effect upon our economy if the matter was not fully considered. I remember that the Social Credit people had a phrase to the effect that what is socially desirable is economically feasible, and this bill is the sort of grab-all type of thing which has just about as much substance to it as the phrase I have just cited.

I am not going into the points of view which have been covered by other members on this side with regard to the degree of risk which is taken in respect of different accounts and what should be the compensation to the lender if he does assume these risks. The greater the risk, the greater the return the lender will ask, and that is only natural. The same is true of insurance. Have two or three accidents and you will find out what you have to pay for insurance. That is normal business practice. It is not normal business practice and it is not even common sense to think that you can legislate common sense into people, that you can legislate goodness into people, that you can legislate righteousness into people.

But that is not to say that the state does not have a responsibility to see that the people of the nation are protected against outrageous rates of interest, against deceptive advertising, against the almost crooked dealing in the way contracts are drawn. I abhor just as much as any member of the C.C.F. party second mortgages with very high discounts, the trickery that goes with them and the fact that a person can pay and pay and after paying for five or ten years can owe more at the end of that time than when he started to pay. These conditions are not right, and they should be looked into and corrected. I do not agree that the hon. member for Assiniboia is the person who knows what is the right answer. It was for this reason I started my remarks by saying it would have been a service to this house if this case had been better prepared, if a little bit of work had been done to really substantiate what the hon. member said was the right thing to do.

Now, Mr. Speaker, I feel I have injected other factors into this debate. This was my intention. I must say, in conclusion, that if this bill comes to a vote I certainly believe the amendment will receive the support of many people who feel as I do.

Mr. H. W. Herridge (Kootenay West): It was not my intention to say anything in this debate. However, I cannot allow to go unchallenged the statements made by the handsome member for Vancouver South (Mr. Broome), who used a very old, worn out vocal broom to try to sweep away the arguments of the hon. member for Assiniboia (Mr. Argue) and the hon. member for Timmins (Mr. Martin).

Mr. Broome: What arguments?

Mr. Herridge: First of all, he referred to the intemperate arguments of the hon. member for Assiniboia. He is mistaking emphasis and repetition throughout for intemperance. Then, the hon. gentleman mentioned that the hon. member for Assiniboia had not presented any facts. Surely, Mr. Speaker, the hon. gentleman knows that the hon. member for Assiniboia has been presenting this bill to this house year after year. You cannot continue to repeat and make the same speech year after year. He has to present the argument in another form, and that is what he did today.

Mr. Broome: May I ask the hon. member a question?

Mr. Herridge: Yes.

Mr. Broome: Can the hon. member tell me how this speech differed from any other speech the hon. member for Assiniboia has ever made on this subject?

Mr. Herridge: It did not differ in principle and purpose, but it differed in so far as the arguments and evidence were concerned. I think if the hon. gentleman reads the previous speeches of the hon. member for Assiniboia he will see that.

Mr. Broome: I have and they don't.

Mr. Herridge: I am glad to know that the hon. gentleman reads.

Mr. Broome: A person who was caught out this morning on orders of the day for only reading the headlines should not be mentioning such a touchy problem.

Mr. Herridge: I am quite tolerant toward the hon. gentleman. He is wandering around, but I do not mind listening. He is doing it, of course, to take up the time until ten o'clock.

Then, the hon. gentleman accused the hon. member for Timmins, or at least some of the members of our group, of filibustering in connection with other debates. Does he not realize that the end of that filibuster resulted in a member from his own party moving a bill which partly achieved the aim of those who were filibustering. They were successful in that respect. They moved a member on the government side to action partly in the direction they intended the government to go.

Mr. Broome: I think in all fairness the hon. member will agree I was not criticizing the filibuster, as such, but simply using it to point out that the hon. member for Timmins must have sat there time after time and made statements in rebuttal which could not have been true because of the filibuster.

Mr. Herridge: This is a most interesting debate between the hon. member for Vancouver South and myself. I am very pleased to see I have caused him to rise from his seat for a few minutes during this session.

He accused our members of filibustering in several respects. What has happened in the last five years when the hon. member for Assiniboia has introduced this bill? Members on the government side of the house have talked out the bill on each occasion. There has been no suggestion for improving the bill by way of amendments. I am sure the hon. member for Assiniboia recognizes fully that it is possible to improve the bill. He would welcome assistance from members on the government side of the house to improve this bill and in securing the legislation that he desires to protect the interests of the people who suffer under present circumstances.

Now, Mr. Speaker, I rose to support the principle and purpose of the bill. There is no need for me to repeat the arguments put forward by the hon. member for Assiniboia or the hon. member for Timmins which, in my opinion, cannot be successfully challenged. No one has challenged the principle of the arguments or the purpose of the bill today. I think all members of this house, if they approach this question fairly, recognize that the bill aims to deal with a financial cancer and evil that exists in our society because of the needs of certain people who find themselves in difficult circumstances.

I want to say that while I think it is essential that we have some legislation along the lines suggested by this Bill No. C-3 as moved by the hon. member for Assiniboia, I do have great faith in the value of the credit unions mentioned by the hon. member for Timmins in assisting, shall I say, or co-operating with legislation in overcoming the grip these financial companies have on those who are in need of short term credit to alleviate certain difficult and temporary circumstances. I have had some experience in that respect. I like this idea of legislation and rank and file action in the work of the credit unions in finally removing, shall I say, the evils we are seeking to remove. I think both are necessary.

We have been very successful with the credit union movement in Kootenay West. I can never speak on this subject without mentioning my constituency. We have a number of these credit unions in such places as Rossland, Trail, New Denver and Nakusp. I remember 10 of us got together many years ago to form a credit union with $200. A lot of the hon. gentleman's friends laughed at us on that occasion and said the workingman is not capable of running his own affairs. Fancy running a bank; they will go broke in four years. Now, I cannot remember the figures, but I think the Trail credit union has assets of $4 million, and I know some people have been advised to go to the Trail credit union to get loans that the bank would not provide. This actually happened during the last year. It is training in the practice of the principles of economic and social democracy. I say we want legislation to supplement the activities of these, shall I say, rank and file organizations.

Now, Mr. Speaker, I must say we support the amendment moved by the hon. member for Welland (Mr. McMillan) which proposes that this bill be referred to the banking and commerce committee for consideration and report. Conditions have changed in the last few years. I think this was a sensible amendment. I want to say right here that I consider the hon. member for Welland a very practical and common sense member. He does not speak at great length. I never saw a doctor who could needle a lawyer to better advantage when it comes to financial questions than the hon. member for Welland. I think his suggestion is a good one, and we support it. It is obvious the members on the government side of the house are not going to allow this bill to pass. They are going to talk it out. I have seen the whip running in and out trying to get some of the boys to come along and carry on the debate. I understand how this is done.

We support this amendment because it is obvious the bill is going to be talked out. I believe the hon. member for Vancouver South supported the amendment timidly but, as he suggested, it will provide an opportunity for a committee to study this question, which is a serious question. An opportunity will be provided to hear representations from credit unions, from trade unions, farmers' organizations and other types of organizations, as

well as from the finance companies themselves. We will have an opportunity to get the facts as they are at the present time and make a report to this house.

Surely no one can object to that. No one who has any concern about the welfare of these people and who recognizes the need for legislation of this type can oppose the amendment moved by the hon. member for Welland. This procedure will provide the facts, the opinions and the opportunity for a report to this house. I am certain that report will further strengthen the opinion of the members of this group as to the need for legislation to correct the present situation.

In conclusion I make this request of members on the government side of the house. If I am correct, I presume that the hon. member for Carleton (Mr. Bell), parliamentary secretary to the Minister of Finance, could use his tremendous influence within the party to which he belongs with a view to having them support this amendment this evening so that this matter could be referred to the banking and commerce committee as recommended by the hon. member for Welland. I may be wrong. It may be the Minister of Mines and Technical Surveys (Mr. Comtois)—I note that he is taking a great interest in the question—or it may be the Minister of Fisheries (Mr. MacLean) or it may be the Minister of Northern Affairs and National Resources (Mr. Dinsdale). I know that he is a man of heart. He is a man of principle whom I respect as I respect the others. I urge the responsible cabinet minister or the person on the government side this evening responsible for leading the house that he pass the word around to their members that this is a golden opportunity presented to them by the introduction of this bill and by the hon. member for Welland to have this question studied, to have the public concerned present evidence and make representations and to have the banking and commerce committee make a report so that at least next session we shall have legislation to which the government can point with pride as something to the advantage of the Canadian people.

(Translation):

Mr. Rene Letourneau (Stanstead): Mr. Speaker, just a few words to express my views on Bill C-3 now before us and which deals with the limitation of interest rates.

The buying power of a country is the criterion of its economic strength. Whether you live in town or in the country, when the goods put up for sale by large or small dealers do not sell because there is no money about, it clearly indicates bad times.

It is obviously among the small people that you find an often unfulfilled wish to buy. One man wants clothing or toys for his family; another wants to buy furniture. Others again dream about owning a car.

Anyway, people want to buy, but have they always got the necessary money? It is at this point that the loan companies come in. They advertise everywhere, in the papers, on the air, on television, in short they use all media of publicity.

Now here is the man who has obtained some money thanks to a loan. He is pleased, and buys what he wants. But the finance company which has given him this loan will expect each month a call from that small wage earner. And he will have to pay to the last cent, not only the amount lent to him, but also unduly high interests.

Everybody has a right to live, of course. A finance company cannot operate and survive without guarantees. The man who asks a bank or a credit union for money to pay his mortgage, must give some guarantee for his solvency; this is but normal.

But, if it is used to strangle the borrower, it must be avoided.

The bill now submitted to us is a step in the right direction. It aims at lowering to a maximum of 12 per cent the interest rate on loans.

I feel that it is the duty of any government to administer the affairs of the nation and to protect its citizens. This field offers a good opportunity to give such protection. Any abuse is to be condemned. There should be no usurers in this world of ours.

I am not an expert in the legal field but I know, as a businessman, that this bill has some merit. Many years ago people who could not pay their debts were sent to jail. Society has become more civilized and the law has been wisely modified.

I am one of those who believe that everyone has a right to live. There should be no hardship in this world. Luxury is out of reach for the poor while the destitute lack the necessities of life.

It is understandable that at one time or another one should have to borrow money. One is short of money and goes to a lending institution which grants the loan but this does not give the institution the right to strangle the borrower by charging him prohibitive interest rates.

That is why, Mr. Speaker, I feel that the principle of this bill is good and deserves my support.

In my constituency, there are many people who live in small towns, others in rural areas on farms. They all have the right to live and be happy. And I am happy to see, when I visit rural areas, that many enjoy television and that many have a car to drive around.

It is a good sign. It means that business is not so bad after all.

However, much remains to be done. Perfection is not of this world. However, I think our government has shown its willingness to help the people of Canada by providing means for better technical training. Let us at the same time protect people from profiteers, it will be a further good answer to our many problems.

(Text):

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, we have heard some good arguments in the house today against the hurried passage of this Bill No. C-3. These arguments need not be repeated here but I think we should all read them carefully in *Hansard* in an effort to decide exactly what is involved. As the hon. member for Davenport (Mr. Morton) said earlier today there are in this bill greater implications than would appear on the surface. All of us are in sympathy with the principle of placing reasonable limits on the rates of interest that can be charged to borrowers of money. I am sure we all wish to protect the interest—if I may be able to use that word in another sense —of those who find it necessary or perhaps to their advantage to apply for a loan from some lending institution. The sponsor of this bill has no monopoly on this desire to protect borrowers.

Just in order to put the record straight, may I say this. I think it could be taken for granted that there would be few dissenting votes against putting a limit on interest charges at the rate suggested if we could be certain that by so doing we were not working a hardship on any prospective borrower; that is to say, if we could be certain that such a regulation would not remove or at least greatly reduce the borrowing sources of those who might not be able to obtain loans through low interest lending channels.

Reference has been made to the more recently established practice of making small personal loans through chartered banks or credit unions. I have a copy of a statement by one of the banks showing its rates of interest on these small personal loans. These lending operations by the banks and credit unions fill a big need in our present-day borrowing practices. But they do not and they cannot under their present set-up satisfy all the demands of all borrowers. The most likely effect of a measure such as the one proposed in this bill, as I see it, would be to greatly hinder the granting of small personal loans from what are now somewhat generally described as finance companies.

Reference has been made by previous speakers to the operation reports of these companies. The completeness of these reports indicates that they are under very close supervision, as indicated by this report of the superintendent of insurance for Canada. It is entitled, "Small loans companies and moneylenders licensed under the Small Loans Act". The completeness of the report certainly indicates that these small lending companies are very closely scrutinized and supervised. The table of contents shows, "Statements of small loans companies; Abstract of annual statements of small loans companies and moneylenders; Consolidated exhibits of small loans companies and moneylenders; List of small loans companies and moneylenders showing the location of their head offices".

Then in the appendices, "Appendix A—List of licensees showing number of branch offices of small loans companies and moneylenders at December 31, 1957 and 1958". That is the last report we have. Then "Appendix B—List of localities by province in which small loans companies and moneylenders operate and number of offices in each locality as at December 31, 1958". "Appendix C—Statement of assessments made upon small loans companies and moneylenders for expenses of supervision for the year ended March 31, 1958".

That is a complete statement of the operations of these companies for the last year. There are four small loans companies and 75 companies listed as moneylenders. Each one shows the number of accounts for small loans made, and the amount; small loans balances, number of accounts, amount and the total income.

I suggest that under this very close supervision the operations of these companies, although they probably charge more than the interest named in this bill, are very closely scrutinized.

I have very little time left at my disposal, Mr. Speaker, before the ten o'clock adjournment. I have not had time to fully develop my argument against the passage of this bill without further study. I think we have had a very good day bringing out the different points. I think each member is entitled to express his opinion.

As I said, I think we all agree with the principle of this bill and I think we all agree that the proposer of this bill is sincere in his beliefs in introducing such a measure to

limit the interest rate to 12 per cent. But I repeat that I do not think limiting small loans to 12 per cent at this time would be in the interests of all.

I referred a short time ago to small loans from the banks under the new policy they have established. They list in this advertisement that one can obtain a loan with six months to pay, and they set out the cost of the loan to the borrower. I think that is a good idea and I think that could probably be developed to a greater extent, to show the borrower what he is paying.

However, I repeat that some borrowers who cannot borrow under this arrangement are willing to pay higher interest rates to obtain the money they need at a certain time. In conclusion I want to express agreement with the suggestion that the problems connected with small loans and rates of interest be referred to the standing committee on banking and commerce.

Mr. Speaker, may I call it ten o'clock.

Business of the House

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire of the house leader what the business will be tomorrow, and perhaps at the same time we could get some indication of what it will be next week.

Mr. Nowlan: Mr. Speaker, as I think I have already said, the budget debate will be carried on tomorrow. As I understand the new rules which are in effect, there will be a division late tomorrow afternoon.

On Monday, according to the rules it is private members' day, which rule will be followed. On Tuesday we will again proceed with the budget debate. Further than that I would not like to go at this moment, but we will make an announcement either tomorrow or Monday with respect to Wednesday and Thursday.

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

APPENDIX

COLUMBIA RIVER TREATY—REPORT TO THE GOVERNMENTS OF CANADA AND THE UNITED STATES OF AMERICA

On October 19, 1960 the governments of the United States of America and Canada accepted as a basis for drafting a treaty the joint progress report which had been submitted by the negotiators on September 28, 1960.

The two delegations accordingly submit the attached draft of the treaty which they recommend for signature and ratification in accordance with the constitutional procedures of the respective Governments.

Signed at Ottawa this 8th day of January, 1961.

ELMER F. BENNETT
Chairman, United States Delegation

IVAN B. WHITE
Member, United States Delegation

E. C. ITSCHNER
Member, United States Delegation

E. D. FULTON, M.P., P.C., Q.C.
Chairman, Canadian Delegation

R. G. ROBERTSON
Member, Canadian Delegation

E. W. BASSETT
Member, Canadian Delegation

A. E. RITCHIE
Member, Canadian Delegation

HOUSE OF COMMONS

Friday, January 20, 1961

The house met at 11 a.m.

EXTERNAL AFFAIRS

ESTABLISHMENT OF DIPLOMATIC RELATIONS WITH COSTA RICA, HONDURAS, NICARAGUA, PANAMA AND ECUADOR

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I should like to inform hon. members that the Canadian government and the governments of the republics of Costa Rica, Honduras, Nicaragua and Panama have agreed to establish diplomatic relations. The Canadian ambassador to these four republics will be appointed shortly. He will normally reside in San Jose, Costa Rica, but will spend some time each year in the capitals of the three other republics to which he will be concurrently accredited: Managua, Nicaragua, Tegucigalpa, Honduras and Panama City, Panama. The four governments have indicated their intention to be represented in Ottawa by giving double accreditation to their ambassadors to neighbouring countries until such time as resident ambassadors can be appointed to Canada.

I wish also to announce that the Canadian government and the government of the republic of Ecuador have agreed to exchange ambassadors. The Canadian ambassador to Columbia, Mr. Jean Morin, will be accredited as Canadian ambassador to Ecuador. Mr. Morin will continue to serve as Canadian ambassador to Columbia and will normally reside in Bogota but will spend some time each year in Quito. During the ambassador's absence from Quito, the Canadian embassy in Ecuador will be under a resident chargé d'affaires ad interim. The Canadian government is looking forward to receiving the first Ecuadorean ambassador to Canada in the near future.

Representation at this high level reflects the intention of the Canadian government and of the governments concerned to strengthen and improve diplomatic, cultural and commercial relations. It is a further recognition of the importance of the growing ties between Canada and Latin America.

Finally, hon. members will be pleased to learn that the Canadian government has now formally accepted an invitation from the council of the Organization of American States to send an observer to the eleventh inter-American conference, which will be held at Quito later this year.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am sure that the members of the house will have listened with considerable interest to the minister's announcement regarding the extension of our diplomatic representation in Latin American countries. I gathered from his remarks that this extension of our Canadian diplomatic representation will now cover practically every Latin American country, although I understand there are four still outside the diplomatic field. I do not know how the minister is going to be able to explain to them their exclusion from this relationship.

Mr. Green: If I may interrupt, I should point out that moves are under way with regard to these other countries.

Mr. Pearson: I think the extension is a desirable one because it underlines the friendly relationship we have with these countries and the growing importance of that relationship to Canada. Perhaps, Mr. Speaker, it represents another stage in our approach to membership in the organization of American states. There seems to be some doubt about government policy in that regard, but with our extension of diplomatic representation and with our acceptance of the invitation to be an observer at the next meeting of the organization of American states, I believe a decision on this matter will have to be made before long.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group welcome the announcement which was made by the Secretary of State for External Affairs, which indicates the growing importance of an increasing number of the Latin American countries, coincidental with the growing importance of the African and Asian countries, and the development of democracy in those nations, their influence and their prestige in the world. We welcome this announcement which will provide another opportunity for Canada to work with these nations in a spirit of good will and co-operation.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO DATE OF NEXT MEETING

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister and ask him

if a date has yet been fixed for the resumption of the dominion-provincial conference.

Right Hon. J. G. Diefenbaker (Prime Minister): No, Mr. Speaker.

Mr. Chevrier: May I ask a supplementary question. Are discussions being carried on by correspondence between the federal government and respresentatives of the provinces?

Mr. Diefenbaker: There has been some correspondence, and discussions naturally continue from time to time in that regard.

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO PERSONNEL AND TERMS OF REFERENCE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister arising out of the great interest of Canadians in his announcement that a royal commission on national health requirements would be set up. I ask the Prime Minister if he is now in a position to announce the terms of reference of this commission and the full personnel, as he indicated he would be prepared to do early in the beginning of the new session.

Right Hon. J. G. Diefenbaker (Prime Minister): No, Mr. Speaker.

Mr. Argue: I wonder if the Prime Minister could give some indication to the house as to when he may be in a position to make this announcement.

Mr. Diefenbaker: I will let the house know as soon as I am in a position to do so.

CIVIL DEFENCE

REPORTED TENDERS FOR CONSTRUCTION OF UNDERGROUND BUNKERS

On the orders of the day:

Mr. G. C. Fairfield (Portage-Neepawa): I should like to direct a question to the Prime Minister arising out of a press release which states that the government is now ready to call for tenders on contracts for construction of underground bunkers to house priority government and military personnel in time of nuclear war. Would the Prime Minister be prepared at this time to make a statement on this matter?

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. member gave me notice that he intended to ask this question. I presume he was motivated by the fact that the *Financial Post* set forth in rather dramatic form a description of what was being done or was anticipated or at least, in so far as that article was concerned, the view of the editor or the writer in question. Because of the fact that it was rather overdramatized I have a statement in this regard which, with the leave of the house, I should like to make in answer to the question.

Mr. Speaker: I take it that the Prime Minister has the leave of the house to make a statement at this time.

Some hon. Members: Agreed.

Mr. Diefenbaker: The article in question refers to the program of building regional centres for emergency purposes in wartime. That program was announced by me on May 31, 1960 and in the announcement I set forth in part the situation in these words, which will be found at page 4359 of *Hansard* of that date:

> The plan is to provide in each province a centre from which a small core of federal, provincial and army personnel can direct emergency operations within the province, even in the presence of radioactive fall-out, the loss of normal means of communication and possibly the destruction of some provincial capitals.

Then later on I said this:

> Regional centres will be established speedily in each of the provinces.

In accordance with that announcement work has gone forward on the preparation of designs and specifications for these centres and the choice of sites for them. No further announcements have been made since the announcement in question because it was necessary to acquire property in certain provinces for construction purposes with regard to six of the sites. The properties are now acquired. The designs are completed, and the army will be ready within a few weeks to have Defence Construction Limited call for tenders. This program has been discussed in detail with the provinces, and the provincial governments are co-operating in the preparations for carrying on government under conditions of nuclear war with the assistance of the use of these various centres.

Again I point out in this regard that the fact that these precautionary measures are being taken and action in this regard is being proceeded with is not in any way to be taken by the Canadian people as evidence of a worsening of the international position or of imminent fear of possible nuclear attack.

[*Later:*]

Mr. Arthur Smith (Calgary South): Mr. Speaker, may I ask the Prime Minister a supplementary question based on the question asked by the hon. member for Portage-Neepawa. Can the Prime Minister indicate to the house what action is to be carried out by the government to maintain the processes of government, in the event of a nuclear attack?

Mr. Diefenbaker: On July 17, 1959, I stated that facilities were being made ready from which a central corps of the dominion government would carry on under conditions of nuclear war even if there was a serious fallout in the area. All I can add to what I said then is that we are now considering dispersing a number of key persons who would carry on emergency government functions in wartime in small groups outside Ottawa, so there would not be a concentration within the city of Ottawa. I think I can go no further than that.

LABOUR CONDITIONS

REPORTED RETRAINING OF UNEMPLOYED WORKERS

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to direct a question to the Minister of Labour, and I apologize for not having had time to send him notice of it. It arises out of an announcement in the Toronto *Star* of a metro Toronto program for the training of unemployed workers. It reports that federal officials of the Department of Labour are vague about the details of the retraining program.

Some hon. Members: Question.

Mr. Pitman: Can the Minister of Labour indicate the reasons for the vagueness of his department in a matter of such great importance?

Hon. Michael Starr (Minister of Labour): There does not seem to be any vagueness about the plan in the other provinces because of their activity in this field. No other province has indicated that there is any vagueness at all about this program.

Mr. Pitman: I have a supplementary question, Mr. Speaker. Can the minister indicate why these programs of retraining of unemployed workers are being set up under schedule M of the Canadian vocational training act, 1952 rather than under section 3, article (1) (a) of Bill C-49 recently passed in this house?

Mr. Starr: The training is under the new act, under schedule M.

ELLIOT LAKE, ONT.—INQUIRY AS TO REPORTED EVICTION NOTICES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I wonder if I could ask the Minister of Public Works whether he is now in a position to deal with the question I put to the Minister of Labour yesterday concerning the housing situation at Elliot Lake?

Hon. D. J. Walker (Minister of Public Works): This morning on my return from Toronto I learned of the question which had been asked by the Leader of the Opposition. I shall be very glad to get that information for him.

THE CENSUS

FORM OF QUESTION RESPECTING RACIAL ORIGIN

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I would like to direct a question to the Prime Minister. Could the Prime Minister inform the house whether changes are going to be made regarding question No. 10 of the census. If the answer is in the affirmative, can we hope that the changes will be announced before the beginning of the census?

Mr. Speaker: Order. The hon. member will recall, as I do, that two questions were asked yesterday on this matter. As I recall it, the reply given was that it was a question of policy, to be announced when any decision was made.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): A supplementary question, Mr. Speaker. Does the Prime Minister recall having promised the opportunity for a discussion on this matter of the census, and if so, when can we expect this discussion to take place?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have been waiting to hear some discussion on this. We have a debate on the budget proceeding at the present time and every opportunity is available to hon. members to voice their views on this or any other matter.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am rising on a question of privilege respecting the question of the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) and the answer of the Prime Minister. The undertaking was given in the house by the Prime Minister, when the supplementary estimates were before the house, to the hon. member for Levis (Mr. Bourget) that an opportunity—not the budget debate, but an opportunity—would be given for this debate. It was on that basis that those supplementary estimates went through the house with great expedition on that occasion.

Mr. Diefenbaker: Mr. Speaker, I am prepared to let *Hansard* speak and not to accept the misinterpretation that has become the prominent and effective means of criticism on the part of the hon. gentleman. I ask him to read where I said that a day would be set aside or the opportunity would come. For some reason, with the opportunity here

for the fullest discussion in the budget debate, silence has been the order of the day of the opposition in this regard.

Hon. Lionel Chevrier (Laurier): On the question of privilege, sir, I think we will be quite happy to take a look at *Hansard* and recall what was said on that occasion. But I cannot let the words of the Prime Minister go unchallenged when he says that silence of the opposition is the order of the day. In so far as this question is concerned—

Some hon. Members: Order.

Mr. Chevrier: —silence of the government has been the order of the day.

Mr. Speaker: Unless the hon. member for Laurier wishes to make a new question of privilege out of the comment of the Prime Minister, what he says about silence does not relate to the original question.

Mr. Chevrier: I was asking to be allowed to speak on the question of privilege which was raised by the Prime Minister.

Some hon. Members: No.

Mr. Hees: There is no question of privilege.

Mr. Chevrier: And, sir, I was taking this opportunity to say that on the question of the census there has been greater silence from the Prime Minister than from this side of the house, and he has an opportunity—

Mr. Speaker: Order. The hon. member is not entitled to raise a debate on the question of privilege. I have not yet found that there is a prima facie question of privilege.

Mr. Diefenbaker: Mr. Speaker, so that the record will be clear and so that even hon. gentlemen opposite will understand, I would refer to *Hansard* of December 20, page 989. This is the question asked by the hon. member for Bonavista-Twillingate:

> In view of the fact that the leader of the house did not object at all when we had a debate about the parliamentary restaurant on an item dealing with the Senate manpower committee—

We were at that time dealing with the question of the expenses of a royal commission on Canadian magazines. That was the item before the house at the time the hon. member for Levis asked the question. The hon. member for Bonavista-Twillingate then followed and said:

> In view of the fact that the leader of the house did not object at all when we had a debate about the parliamentary restaurant on an item dealing with the Senate manpower committee, in which debate no one in this house participated—

Mr. Benidickson: It is "this party".

[Mr. Diefenbaker.]

Mr. Diefenbaker:

> —I suggest that we would save a great deal of time if the hon. gentleman were allowed to proceed.

In other words, the hon. member for Bonavista-Twillingate asked that this matter should come up under the heading of the expenses of the royal commission. The *Hansard* report continues:

> As a matter of fact, I should like very much to hear this matter discussed. We shall have it discussed immediately after we resume in January. We are going to have a debate on the baby budget. I presume that if the usual course of discussion is allowed and is followed, every opportunity will be given for the fullest discussion of this matter.

Mr. Pickersgill: In view of what has been read by the Prime Minister it is quite obvious that the Prime Minister is right and that my memory is mistaken. I express regret that my memory was mistaken.

An hon. Member: What about the hon. member for Laurier?

Mr. Chevrier: Since the Prime Minister invites me to comment on his statement, I have no comment to make because, as the record makes clear, I said we would abide by what was said by the Prime Minister.

Some hon. Members: Oh.

Mr. Argue: Silence would have been much better this morning.

Mr. D. M. Fisher (Port Arthur): I should like to ask a question supplementary to the original question, occasioned by representations made to me by some members of the Native Sons of Canada. In the consideration being given to the 1961 census, question 10, and possible changes in it, would the Prime Minister and his colleagues keep in the forefront of their awareness the thought that many Canadians think of themselves as Canadians, not as hyphenated Canadians, and would so wish to declare themselves?

Mr. Speaker: I take it the hon. member is presenting an argument to be taken into consideration when a decision on this matter is reached. I think it would be more appropriate if he were to take advantage of future opportunity for debate.

PUBLIC SERVICE

INQUIRY AS TO APPOINTMENT OF DEPUTY MINISTER OF LABOUR

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wish to direct a question to the Prime Minister. With a view to having the Department of Labour operate in the most efficient manner possible

at this time, will the Prime Minister say when the appointment of a deputy minister of labour may be forthcoming?

Right Hon. J. G. Diefenbaker (Prime Minister): That will not be long delayed.

AIRPORTS

ONTARIO—INQUIRY AS TO CONSTRUCTION AT INTERMEDIATE POINTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Transport. In the light of the applications now before the air transport board for air service as a milk run between Montreal and/or Ottawa and Oshawa and/or Windsor, will the department or the government build airports at intermediate points between two large centres such as at Cornwall and Brockville?

Hon. Leon Balcer (Minister of Transport): These applications are before the air transport board at the present time. They are being discussed. So far I have not been approached about the building of those airports. I do not know what decision will be arrived at on this subject. Of course it will depend on the decision of the air transport board.

Mr. Chevrier: May I ask a supplementary question. What is the policy of the government with respect to the construction of airports at intermediate points, such as the two I have mentioned?

Mr. Balcer: Mr. Speaker, the policy of the Department of Transport, so far as airports are concerned, has been to give excellent service to Canadians as it is needed and I am quite sure that that policy will be carried on in this case.

GRAIN

WHEAT—INTERIM PAYMENT ON 1959-60 CROP

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Agriculture on his return to the House of Commons. In view of the very difficult cash situation on the prairies, will the minister be in a position at an early date to announce an interim payment on the 1959-60 wheat crop?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I think it is the plan of the wheat board to continue as usual. I think the payment the hon. member refers to will be forthcoming about the middle of February.

Mr. Argue: I have a supplementary question. Has the minister or his department given any consideration to the possibility in the future, if not at this time, of having those payments made at an early date instead of following this very discreditable pattern set by the former administration?

Mr. Hamilton (Qu'Appelle): All I can say in answer to that question is that we do not like the pattern of the previous government in so far as borrowing money and making payments is concerned. It certainly is the plan of the government to follow the procedure of making the payments when the money is available.

Mr. Argue: The money should have been there.

THE BUDGET

SUPPLEMENTARY FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Tuesday, January 17, consideration of the motion of Hon. Donald M. Fleming (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Benidickson.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have already indicated my approval of the budget proposals which, coupled with the governments's legislative program, will do much for the national economy and to stimulate employment. I have a proposal to present to the house—perhaps you might call it an idea—which I believe would more closely be the next logical step in this development. In presenting this proposal I hope that hon. members will permit me to refer to my notes more closely than usual.

I wish to call this plan the Canadian products plan. It is a plan designed to improve the Canadian internal economy and to make better provision for those Canadians on welfare assistance. It is put forward as a beginning only, and can be enlarged and developed to encompass additional segments of the economy as circumstances require.

The plan is based on several assumptions. First, Canada is rich in food, clothing and products for shelter and comfort, all the basic necessities of life. There is no economic reason why any needy person should be deprived of these basics. However, it is much too simple to literally reach into our wheat bins for bread, into our orchards for fruit and into our mills for lumber and textiles. On the other hand the mere handing out of increasing sums of money to be spent in an economy overbalanced with imported goods. makes the situation worse instead of better. We must find a way to get our Canadian

products into the hands of the welfare recipients for the benefit of the Canadian economy which provides both products and money.

The second assumption is that the needs of those receiving welfare payments are constantly on the increase in an expanding economy. The government is now facing demands from all sides for increased welfare and pension benefits in order to maintain recipients on the standards reached even three years ago. These demands will have to be met, and in the course of the development of human betterment policies, new categories may be created in the future.

The third assumption is that in the past, two methods have been attempted in order to sell Canadian products to the Canadian public. The first has been the control of imports by arbitrary methods such as tariffs. Experience has shown the futility of relying solely upon such external pressures. We are a trading nation, and we must not jeopardize our export markets. We are also legally bound by the general agreement on tariffs and trade, and the cumbersome methods of international amendment make external changes difficult.

The second method has been that of trying to stop Canadians from buying imports with "buy Canadian" campaigns and by appealing to the patriotism of the public to buy Canadian, even if the product costs a few cents more. Sad as it may seem, these appeals largely fail. A housewife working on a limited budget is more interested in saving a few cents here and there than in inquiring about the source of the product.

Mr. Speaker: Order. I am sorry to interrupt the hon. member, but I should like to ask for a little better attention for him. There seems to be more conversation than usual going on in the house. I hope hon. members will give the hon. member who has the floor a courteous hearing.

Mr. Aiken: Thank you, Mr. Speaker. I am presenting what I consider to be a very important and even spectacular proposal. It may not be as interesting to listen to as some of the debates we have, but I feel it is a proposal that deserves very serious consideration.

The situation of the housewife in trying to save money here and there applies even more to welfare recipients. We must, therefore, devise a plan to be applied internally in Canada, without imposing direct trade barriers, to provide recipients with an incentive to buy Canadian products. This will provide Canadian markets for the industries and producers who are paying the taxes, without depriving them of their export markets. Quite aside, Mr. Speaker, from the question of welfare payments, it is surely a basic principle that when public funds raised by Canadian taxes are being used in public works the content of such works must be Canadian in order to provide full employment and continuing tax revenues.

My plan is divided into two separate parts. The first I call the Canadian products incentive plan. Simply stated, this plan would provide for payment by the federal government to pensioners of a bonus, which I have set arbitrarily for the moment at 10 per cent, on all purchases of certified Canadian products made with pension or welfare funds. The plan would extend to non-contributory pensions provided or subsidized in whole or in part by the government of Canada, including such welfare payments as old age security, family allowances, veterans pensions, war veterans allowances, old age assistance, blind and disabled persons pensions. This plan, if it were thought fit, could also be extended to contributory allowances such as military, R.C.M.P. and civil service pensions and unemployment insurance, or to any other segment of the economy as circumstances might require.

This plan would envisage first the setting up of a Canadian products certification board; second, setting up a paying authority and, third, the application of the plan to such Canadian products as are required for food, clothing, shelter and household furnishings but not including items generally regarded as luxuries.

The second part of this plan would be called the Canadian products requirement plan. This would require that all materials provided and labour performed in buildings and works for which the federal government provides funds or lends funds in whole or in part shall be Canadian labour and Canadian products as defined by the Canadian products certification board. This plan would extend to residential or commercial buildings constructed under the National Housing Act, with industrial development bank loans or with any other public funds of Canada, and would apply to all contracts for public works awarded by the government of Canada, defence contracts for armaments not available in Canada excepted. Where Canadian products are not available or for aesthetic reasons imported materials are considered advisable or necessary, non-Canadian products up to 15 per cent of the total contract amount could be used, but a penalty of 10 per cent of the cost of such non-Canadian goods would be imposed, payable to the paying authority under the Canadian products plan. This plan could be extended to any other classification

of public spending now or hereafter established, such as the small business loans recently provided by the house.

In connection with administration, simplicity of administration is a primary object of the plan. There would be three separate phases of administration, the first being classification of products. For this purpose a new agency known as the Canadian products certification board would have to be established. Every manufacturer or producer of a Canadian product could apply to the board for a certificate bearing an identifying number upon proof that any described product is a Canadian product. Where practical, a distinctive marker bearing the certificate number could be applied to the product or printed on the label. Otherwise the product would be identified by a certain certificate number.

The board could classify products as Canadian in the following manners or in such other manner as they may adopt:

1. Products wholly produced, processed, fabricated, packaged and distributed in Canada.

2. Products not native to or normally produced in Canada, which are in common use and accepted as necessaries, and which are imported into Canada in raw form and wholly fabricated, processed, packaged and distributed in Canada so that at least 50 per cent of wholesale cost is developed in Canada, and for which there is not a similar product or substitute available in Canada.

3. Products fabricated, processed, packaged and distributed in Canada, partly of imported raw products and partly of Canadian raw products, provided that the Canadian raw content be not less than equal value with the imported raw product.

The second phase would require certification of purchase. One might ask how, if these products are so classified, purchasing would be controlled and on what basis. My plan would be that every retail dealer in Canada could apply for and receive authority to act as a certifying agent under the act, with the appropriate responsibilities. Upon request such retail dealer would provide a purchaser with a separate invoice or sales slip for certified Canadian products, giving the identifying number of each item and certifying that all goods shown on such invoice were Canadian products certified under the act. Wholesalers dealing directly with contractors could obtain similar entitlement.

As to payment, having established that the recipient had purchased a Canadian product, attached to each cheque issued under the Old Age Security Act or other qualifying statute would be a duplicate or additional voucher, in the form of a carbon copy if required, certifying that such payment qualifies for bonus under the Canadian products incentive plan and giving the date, amount, pension number and name of payee. This voucher, when accompanied by properly certified invoices of purchase, would support payment by the paying authority. In the event of doubt, however, the name and pension number would permit speedy cross reference.

The bonus cheque issued as the result of this payment would be redeemable in certified Canadian products at an authorized dealer's premises, and would bear a printed endorsement so certifying for signature by such dealer. The paying authority could be either a special branch in existing paying offices or a special authority set up under the plan, and possibly quarterly applications would be more convenient to handle rather than monthly.

Under the Canadian products requirement plan, the second of those I have mentioned, final payment of any loan or contract amount would require certification by the architect, government inspector or other supervising agent that the provisions of the plan had been complied with. This plan, Mr. Speaker, has a number of direct objectives. They are:

1. To move toward self-sufficiency in Canada, commencing with the welfare field where the taxpayers, the Canadian public are providing the funds.

2. To grant welfare increases on a useful basis.

3. To stimulate Canadian production in a natural manner.

4. To stimulate employment by the creation of industries to supply the market.

5. To restore trade balances by internal application and without special tariffs.

6. To mark clearly Canadian products and make the public conscious of them.

7. To establish the habit of purchasing Canadian products, with a bonus incentive. Such habit may naturally extend to normal purchases. I should add, Mr. Speaker, that it would only be welfare or other federal government funds to which this plan would apply initially.

8. To establish a system which could be extended into other categories as circumstances indicate.

9. With regard to the Canadian products requirement plan, to circulate public funds strictly within the national economy so that employment and taxes would be created for the benefit of the national economy.

10. To offer a bonus incentive for the purchase of Canadian goods, but providing no limitation on the freedom of spending.

11. The plan would not underwrite excessive prices of uneconomical Canadian production. If the price were too high, this 10 per cent

incentive bonus would be applied to other Canadian products or to competitive or non-competitive products.

Now, with these objectives in mind and with this background plan, we have to consider whether there would be any real impact on the Canadian economy. My effort is to set up a system whereby within Canada the spending would be upon Canadian goods by those people who receive the benefit of public assistance. I feel this is the only fair way in which such public spending can be justified. The value of the foregoing plan would depend entirely upon its impact on the economy. I have used the dominion bureau of statistics booklet, national accounts, income and expenditure 1959, which is the latest booklet, also the Bank of Canada statistical summary, financial supplement, 1959, and the 1959-60 spending found in the estimates.

Now, referring to the estimates and to these booklets, we find the following figures. Personal expenditures on consumer goods in Canada in 1959 amounted to $14,058 million; personal expenditures on consumer services, to $8,203 million, making a total expenditure on consumer goods and services of $22,261 million. Comparing that with the total of consumer goods imported into Canada, as found in the bank summary, page 153, we find that amounted to $1,799 million. Then I should like to relate this to the welfare payments and other payments that potentially would come under the incentive plan. We find that the federal government's transfer and welfare payments, not including interest, as shown on the dominion bureau of statistics table 44, amount to $1,801 million. We find that all governments, federal, provincial and municipal, have transfer and welfare payments, not including interest, amounting to $2,785 million.

Taking first the Canadian products incentive plan, we find that imports of consumer goods amounted to about 12.8 per cent of the total expenditure on consumer goods in Canada. Therefore if we assume that the federal government contributes directly or indirectly to all government welfare spending, which amounts to $2,785 million, we can assume that 12.8 per cent thereof or $356.4 million of goods would be purchased in Canada under this plan which would otherwise be imported. This is relating the plan solely to imported goods and solely to the spending of the Canadian public who are welfare recipients.

Taking next the Canadian products requirement plan, that is the plan under which you would require absolute use of Canadian products in all government supported spending, we turn to the figures on gross national expenditure as found in the dominion bureau of statistics booklet at page 20. We find that imports of goods and services valued at $8,065 million represent about 18.9 per cent of the gross national expenditure of $42,655 million. We find also that government spending represents 15.1 per cent of the imports of goods and services of $8,065 million, which is $1,217 million that would be redirected into the local market.

These two figures, while no doubt subject to error adjustments because of factors which are not obvious to me, total $1,574 million, which is more than sufficient to balance the 1959 international current account deficit which amounts to $1,429 million. It may be said that much of the incentive plan funds would be spent on Canadian goods which would have been purchased anyway. This is true, and in fact the above figures are based on the premise that Canadian goods are normally purchased in 87.2 per cent of the cases anyway. It is the other 12.8 per cent which would make the difference. These are estimates of the amounts of goods and services imported into Canada which are purchased with welfare funds. The same applies to the requirements plan in somewhat a different ratio.

Now, Mr. Speaker, I have given a great deal of thought to this matter over the last couple of years. As I stated at the outset, this is not the sort of speech that one finds perhaps as interesting as others which have been made in this debate. However, I have had a feeling for some time that we were moving in the wrong direction in connection with such things as welfare spending and Canadian products. I feel that this plan could be extended. The welfare field is only a beginning, and it is a logical beginning because we have the goods, we have the national assets and in addition the money is coming from the Canadian taxpayer and the Canadian manufacturer. There is no reason why this money should not be used for the purchase of Canadian products.

However, I recognize the fact that you cannot force people to do things in a free economy. You cannot force them to go out and buy Canadian products. For this reason I feel it is better for the increase in welfare payments to be by way of a bonus incentive to buy Canadian products. In this way the funds will be used for the benefit of the Canadian economy.

By way of summary may I say that the total cost of this plan to the federal government would be a 10 per cent increase in welfare payments. As I stated, this is an arbitrary figure. It might very well be more. However, it is the amount which I feel will be required immediately. All of this increase of 10 per cent will be funnelled back into the Canadian economy. It must be funnelled

back because it is redeemable only for Canadian products. In addition to the 10 per cent which will be funnelled back, 100 per cent of the basic payment will also be funnelled back into the Canadian economy because it is with these funds that purchases of Canadian products will be made. Those people who prefer to use imported products will be free to do so. They merely will not qualify for the bonus. I feel that the administrative costs would not be heavy, requiring only the establishment of the certification board. I would not anticipate any payments to retail merchants because their appointment and duties would be a matter of routine. Their appointment as agents would be of benefit to themselves as well as to those people who are purchasing these products.

The benefit of the plan, however, could be of the financial order which I have already set out. If correct, this sum would be sufficient to offset our international deficit on trade balances. I think this plan can offer an incentive for new businesses and an expansion of existing businesses which would coincide with the announced plans of the government and which are, in fact, in the legislative program for this session.

I am submitting this plan for consideration. If my figures are in error, then the extent of the initial impact may be varied or may be less than I have stated. However, the application of the idea would still be just as valid.

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

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the Prime Minister reminded us this morning that this debate roams or can roam over all aspects of the state of the nation. When I use the expression "state of the nation" I do not mean that caricature of the state of the nation which was obtained from the Prime Minister the other evening on television, when he confirmed once again the thesis that seems to be held by himself and so many of his colleagues and supporters, namely that the history of Canada began three years or so ago.

It is quite true that some bad history began at that time. It is not true—and it is a caricature of history to try to make it true—that the expansion and the development of this country ended with Right Hon. R. B. Bennett and began again in June, 1957 after 22 years of sterility and stagnation. The answer to that thesis, Mr. Speaker, was given very well the other day in a speech from which I will quote just one sentence. That sentence is this:

In past years—

I may say that this speech was made on January 9.

—when our economic capacities were stretched to the limit in the process of unprecedented economic expansion—

Unprecedented expansion in past years.

—we supplemented our own resources both financial and physical with goods and capital from abroad but today our resources are not stretched.

That statement, which is a true one was made on January 9, 1961, in Toronto by the Minister of Finance, whose past statements seem to be arising to haunt him these days.

When we discuss this special budget, this baby budget or whatever you wish to call it, the first question we ask ourselves, of course, is why there is a special budget at this time at all in view of the fact that the government denies that there is any special emergency which would require this kind of special treatment. Of course a special budget in December gave the minister an opportunity, if he had desired to take advantage of it, to recant his wrong predictions of earlier months. I suppose it would have been a little bit less embarrassing for him to do that in December than to do it in March or in April when the regular budget would be introduced, and when he might well have even more to recant than he had last December.

He took a more realistic view of the economy in his speech last December—I am referring to the Minister of Finance—than he did earlier in the year, but his confession of mistaken predictions was certainly only partial. He was less naively optimistic than in his budget speech in March, but he still flatly refused to recognize or to admit the seriousness of the situation which this country now faces. That makes his position now only a little bit less realistic than his optimistic predictions of a few months ago made it.

With ignorance of what was happening then and with a refusal to face the facts now, the proposals which have been put forward by the government are naturally inadequate to deal with this situation of employment emergency which they deny. Of course the Prime Minister and his supporters may get some comfort out of the statement by the Prime Minister the other night that the situation was worse in 1936 and 1937. It certainly was worse in 1936 and 1937.

Mr. Diefenbaker: Up until 1940.

Mr. Pearson: At that time the Liberal government inherited a situation with 17 per cent or 18 per cent of the labour force unemployed, and it took a few years to get that figure down.

An hon. Member: It took a war.

Mr. Pearson: If he would not be misleading in these comparisons, let the Prime Minister take comparable figures in the last 10 or 12 years and see whether the Canadian people will get any comfort out of those figures in comparison with the present emergency.

Mr. Rowe: Will the Leader of the Opposition permit a question?

Mr. Pearson: Yes.

Mr. Rowe: If his party inherited that situation in 1935, what does he think the Conservative party inherited in 1930?

Mr. Pearson: In 1930 the Conservative party inherited the beginning of a great depression; and when the Conservative party left office in 1935, after promising to cure that depression, it was worse than ever.

Mr. Rowe: That is definitely not a fact.

Mr. Speaker: Order.

Mr. Pearson: The question arises as to where the Minister of Finance gets the information on which he bases his economic forecasts. The main source of this information used to be the report known as the Canadian economic outlook, that report which we know as a confidential document which we were accused of hiding in 1957 and which, after removal of the word "confidential", was in that year made public in carefully selected passages out of context.

What has happened to that report now? It has been abolished, destroyed and buried. The reason is quite obvious. The kind of economic analysis and economic information based on the researches of experts, the kind of prediction of trends which would appear in a report of that kind now would be extremely embarrassing to the government as a reminder of their own false predictions and inadequate actions. Therefore the report has been cancelled.

If the Minister of Finance took a somewhat more realistic view of the situation in December than he did in earlier months of the year, he is still not prepared to admit that there is a recession in this country. Indeed, the very idea of a recession was denied very vigorously by his parliamentary secretary in his contribution to this debate.

"There is no recession", say the minister and his parliamentary secretary, echoing other members of the government, including the Prime Minister, who told us last spring and summer that all was well, that we were going through a pause out of which we would soon emerge, and that in 1960 everything was going up and up and on and on in the economy. He also told us that the gross national product would be up 6 per cent in 1960. That was the prediction, and that we would have a surplus, after successive deficits, of $12 million. We all remember the banging of desks when that announcement was made in the House of Commons, a banging and excitement which was only equalled a little later in New York by Mr. Khrushchev when he banged his desk at the United Nations.

Those members who took part in the debate last spring and summer will remember that we on this side refused to accept this easy optimism of the government spokesmen. We warned the minister at that time—and he must be aware of the warning—that his rosy predictions were not likely to be realized. In return for these warnings, which have turned out to be correct, we were accused of being prophets of gloom and doom.

An hon. Member: Correct.

Mr. Pearson: We were accused of being prophets of gloom and doom, and last March, April, May, June and July we were accused of selling Canada short.

An hon. Member: Correct.

Mr. Pearson: We were accused of being subversive; it was said that we must not mention these difficulties and dangers. Well, who was right last spring and summer, and who was wrong? Who was blind? Who were the false prophets?

Mr. Fleming (Eglinton): You were.

Mr. Pearson: Who had their heads in the sand last spring and last summer, and who now worship the sand their heads are buried in? Let the facts speak. We said the gross national product would not likely be up 6 per cent. We warned the minister it would not; and what are the figures?

An hon. Member: It went up just the same.

Mr. Pearson: It went up just the same; it went up by 2.9 per cent in value in the first nine months of last year and 1.6 per cent in volume, which is a far cry from the 6 per cent prediction on the basis of which the minister made his calculations for a surplus, which we told him at that time was unrealistic.

Mr. Fleming (Eglinton): It is not a far cry at all. Have some sense of proportion here.

Mr. Pearson: There was an increase of 1.6 per cent in the volume of the gross national product, which itself is the explanation for the unemployment we are now suffering in this country. And the Prime Minister now tries to take our minds off this question of

unemployment by pointing out that we have the highest employment at the present time in the history of this country.

An hon. Member: It is true.

Mr. Pearson: It is not true. It could not be less true. The dominion bureau of statistics figures for January 18, the day before the Prime Minister spoke on this matter, show that employment, not unemployment, decreased by 127,000 between November and December. Is it true, then, that we have the highest employment in our history, as the Prime Minister said?

Instead we have unemployment which is the highest in this country since the 1930's, and no manipulation of facts and figures by government spokesmen can alter that hard and cruel fact. The figures published on December 10 show that 528,000 men and women in this country are out of work. And these are figures with which we all agree; the dispute over calculations I hope is over. On the basis of agreed figures we have 528,000 people out of work, as compared with 406,000 a year ago. The figures show that 8.2 per cent of our labour force was out of work in December, as compared with 6.5 per cent a year ago, or indeed as compared with 7.6 per cent in 1958, when conditions were so bad.

In 1960 the per capita national production in this country was 5 per cent lower in volume than in 1956. If present trends continue, by March we might well have in this country 14 per cent of the labour force jobless and an unemployment insurance fund diminishing rapidly.

When we predicted this trend, as we did, we were jeered at. But unhappily our predictions have been shown to be correct—

Mr. Fleming (Eglinton): No.

Mr. Pearson: —and the minister's predictions almost invariably, in almost every respect, wrong. The seriousness of this problem which hon. gentlemen on the other side do not seem to yet realize is confirmed by even more significant quarter to quarter comparisons with 1960 made on the basis of seasonally adjusted figures at annual rates.

What do they show? They show that the picture is very different from that painted by the minister or the Prime Minister in March, July or last December. I know that in putting these official figures on the record we will again be accused of gloom and doom. The government would like to silence this kind of talk in this house, but there is no possibility of dealing with this situation unless the facts are made clear, until the government become aware of the facts and aware of the seriousness reflected by these facts. Until they are aware of these things, how can they possibly deal with a situation which they refuse to admit exists?

The first quarter of 1960 was relatively good; it was encouraging and it marked, I suppose, the peak of the 1957-59 cycle. During the second quarter the gross national product declined by 1.5 per cent, which was the first decline since the last quarter of 1957 and the biggest drop in any quarterly period in the post-war years. This record reduction marked the beginning of the 1960-61 recession and was accompanied by lower exports, mainly to the United States. Then during the third quarter of 1960 the overall depressed conditions of the second quarter continued to prevail, with one very significant change; the value of our exports during the third quarter increased by more than $400 million.

Since our gross national product remained at about the same level during those two quarters, it means that the domestic sector of our economy continued to weaken during the third quarter. We were saved, at that time at least, from a further over-all decline by increased exports, especially to Europe. This is the exact opposite of what the minister stated in his budget speech, when he attempted to blame our depressed conditions on external forces and on the slowing down of economic activity in Europe.

Mr. Fleming (Eglinton): That is not true; that is not even half true.

Mr. Pearson: The minister can interrupt all he likes, but he cannot deny the logic of facts and figures.

Mr. Fleming (Eglinton): Mr. Speaker, on a question of privilege, the hon. gentleman is purporting to attribute certain statements to me. He has not chosen to read what I said. He is choosing to take some things I said and turn them as though they were all I said, and so I say his statement just now is not even a half truth.

Mr. Pearson: That has nothing to do with privilege. We can easily get the position from the minister's speech. I have plenty of time, and I shall be very glad to take it. The minister left the impression, I repeat, and his words can convey no other impression, that one reason, indeed the major reason, for our present depressed condition was external forces in Europe and the United States. Does the minister deny that he gave that impression in his budget speech?

Mr. Fleming (Eglinton): I reviewed the whole situation and I pointed out those factors both external and domestic which accounted for the change in conditions in

Canada. I gave the whole story. If the hon. gentleman is going to attempt to deal with my remarks, I suggest that in all fairness and fidelity to the truth he should deal with them in a balanced way and not in this selective way.

Mr. Pearson: I am being perfectly fair to the Minister of Finance, and his own words will prove my fairness. He attributed our present depressed situation in large part to the European situation, and before I conclude I shall be able to put on the record exactly what he did say in that regard. In any event I should not have attributed to the minister words which mention our depressed situation, because the hon. gentleman does not admit we are in a recession. He says there is no recession in this country and in this, as I mentioned, he was echoed by his parliamentary secretary. But his view in this regard is denied by the Prime Minister, who the other night talked about "a recession which was foreseeable back in 1957"—a recession which, according to the Minister of Finance, does not exist.

Is there any outside, objective evidence on this point? Perhaps the minister does not feel we are objective witnesses to the existence or otherwise of a recession.

Mr. Fleming (Eglinton): I certainly do not.

Mr. Pearson: Well, let me put on record the views of some of the minister's friends, or at any rate the views of those who, if they are not his friends, have no reason to be unfriendly toward him. There is the *Letter Review* of Fort Erie, a respected publication, and it had this to say on December 26, 1960:

> 1960 has been a year of doubt, uncertainty, grave difficulties so far as Canadian economy is concerned. Unemployment has begun to haunt the country as at no time since the thirties.

Was the man who wrote that selling Canada short? Then there is the Toronto publication *Saturday Night,* which had this to say on January 7, 1961:

> By any meaningful measurement, the Canadian economy is in recession.

Is the man who wrote that selling Canada short?

Mr. Fleming (Eglinton): He was mistaken.

Mr. Pearson: The minister has acquired the habit over the years of assuming that if he keeps on saying things often enough they become true, in his own mind at least. However, the facts are against him. Here is an American magazine, *Fortune,* an authoritative enough magazine in business and financial affairs, as the minister will at once admit.

[Mr. Fleming (Eglinton).]

Mr. Fleming (Eglinton): You have run out of Canadian ones already?

Mr. Pearson: There are plenty of others, but I shall produce evidence from all over the world as well. *Fortune* had this to say:

> In Canada nobody minces words about it—

I admit the author is wrong when he says nobody minces words about it.

> The economy has run out of steam.
> Canada is in a short term cyclical recession.

Then there is the evidence of the *Economist* and the *Financial Times* in London, and the Manchester *Guardian,* which is dismissed by the Prime Minister and by the minister as being founded on biased and inaccurate reports based on opposition speeches. It is really quite a tribute to the intelligence of these particular publications to say that they have been misled in their comments by what we have said in opposition in this house. That is the situation, Mr. Speaker, and the minister's budget shows no appreciation of it or of the need for emergency measures to get expansion going again.

Mr. Speaker, I wonder if you could protect us from some of these chattering primitives on my left?

Mr. Fleming (Eglinton): You are referring to your own members, you know.

Mr. Speaker: May I remind the house that there is a good deal of interruption of the Leader of the Opposition from all parts of the chamber. This is not in accordance with the rules, and hon. members might recall that standing order No. 12, paragraph 3, specifically says:

> When a member is speaking, no member shall interrupt him, except to raise a point of order.

I hope hon. members will take note of that and give the Leader of the Opposition the rights to which he is entitled.

Mr. Pearson: Thank you for intervening, Mr. Speaker. I hope that will make it a great deal easier for those members of the house who are so disposed to hear what I am saying.

The minister and his parliamentary secretary who take this optimistic view of the situation now, though it is not quite so optimistic as it was, have stated in this house, especially the parliamentary secretary, that the general reaction to this particular budget was most favourable and that everybody praised it. I do not wish to misquote the parliamentary secretary, but he was certainly very emphatic in his claim that there had been general and widespread approval of this particular budget. I could quote editorial after editorial in support of the

opposite view, but I will mention only two. The Vancouver *Sun* of December 22 stated:

> Mr. Fleming's budget does not meet the needs of the economic crisis.

Indeed it does not. I might also quote the Conservative *Globe and Mail* of December 22, 1960 which said this:

> It was his own optimism that led the minister astray back in March.
>
> To this disappointment (falsification of his hopes) the Finance Minister has responded with a supplementary budget which itself is widely described as disappointing.

This particular budget was, of course, heralded in advance. It got a great build-up as dramatic evidence of the government's realization of the situation even at the last minute. We were led to believe that something exciting was going to be brought down. There were press predictions based on the usual informed sources that at last something really worth while was to be done about unemployment. Our hopes were deceived, as the minister's predictions were falsified earlier. There is nothing in this particular budget which deals in any adequate way with the unemployment emergency. Indeed, it increases the over-all tax burden. It fails to recognize the recession. It fails to recognize that there is an unemployment emergency. It is without planning or direction in dealing with this recession, this emergency. How could it be otherwise when the government is not aware of it?

There is, of course, a deficit now. The $12 million surplus is gone with the snows and we now have a $287 million deficit. But that is in no sense a planned deficit such as might have been justified at this time to deal with the emergency. How could it be a planned deficit when there was to be a surplus only a few months ago? This deficit is not the result of any policy decision brought about for the kind of purpose in a recession for which a deficit could be useful. It is not a remedy for a recession; it is the result of a recession. It is a very good example, to use the phrase of the parliamentary secretary, of budgeting by accident.

We shall be reviewing the proposals in this budget in detail when we get to the resolution stage. As my hon. friend from Bonavista-Twillingate has indicated, there are some good things in this budget. There are some proposals which may be very useful from the long range point of view even though there is nothing which could deal effectively with the emergency at the present time.

Even those good proposals, as we will point out when we come to discuss them in detail, are for the most part too limited, too little and too late. The special encouragement to small business is an example of this. The encouragement of new business activity in depressed areas is another example of something which is good in itself, but which is too limited in its application to deal with the situation we face at the present time. The proposed use of double depreciation is another example of something which is good in itself but, as we will point out, should go farther. If, for instance, this device is used merely to overcome temporary difficulties by accelerating development which would in any event occur, that effect will be purely temporary and inadequate.

Another measure which is good in principle but unsatisfactory in application is the tax concession offered in this budget to students and to parents of students. This particular measure is regressive in this sense, that it offers the most assistance to those who are in the best position to help themselves.

Then there are the proposals to discourage the inflow of foreign capital. The method adopted by the government in this budget is apparently to make it less attractive for non-residents to invest their funds in Canada.

The Minister of Finance was pretty emphatic in New York the other day in telling his audience down there that it is not the purpose of the government in this budget or in any aspect of its financial policy—I think I am paraphrasing what he said—to discourage foreign investments, to discourage United States investors in particular. What is the particular provision if it is not to cut down on non-residents' investments in this country? One result of this is that it will be more expensive, not less expensive, for Canadians, especially the provinces and the municipalities, to finance their own needs.

I admit, Mr. Speaker, that it is difficult at this stage, of course, to assess the effect of the measures, but surely it is clear that they will increase the financial difficulties of the provinces and the municipalities. If they do seriously discourage long term foreign investment in this country, they will delay our development and they will delay that expansion which is so necessary for the cure of our present economic ills as well as for our long term prospects.

The other day the governor of the Bank of Canada, who is making some very interesting speeches these days—whether with the knowledge and approval of the Minister of Finance I do not know, but he is the governor of the Bank of Canada and naturally his relations with the government and the Department of Finance must be very close—said this in one paragraph of a speech he made in Ottawa, I think on January 17:

> I venture the proposition that it is not healthy and will not be fruitful or successful for a

country such as Canada to pursue any other course than to stand on its own feet, finance its development out of its own savings...

There could hardly be a more important statement in respect of Canadian economic development than that. It will be interesting to know—perhaps he will tell us—whether the minister agrees—

Mr. Fleming (Eglinton): May I ask the hon. gentleman whether he cares to comment on it and tell us if he agrees with it or not?

Mr. Pearson: Yes, I will comment on it. I think it is not possible for Canada to finance the kind of development which we must have in this country; it is not possible, and therefore it is not desirable, to try to finance that kind of development exclusively out of our own resources.

Mr. Pickersgill: Tell us what you think.

Mr. Fleming (Eglinton): I refer to the speeches on this subject where the matter is very plainly dealt with; the speech on the budget, the speech in Toronto on January 9, and the speech in New York this week. The hon. gentleman has the speeches.

Mr. Pearson: I have quoted from the statement of the governor of the Bank of Canada, which has a very important bearing on this question of national development. There are two methods which can be adopted by the government to reduce the inflow of foreign capital and incidentally to eliminate the premium on our dollar which the minister said not so long ago could not be done except by controls.

Mr. Fleming (Eglinton): I did not say that. Will the hon. gentleman point to where I ever made such a statement? Mr. Speaker, may I ask the hon. gentleman if he will indicate the source of the statement which he ascribes to me. I never said that.

Mr. Pearson: If the minister denies that in the last year he has ever said that action by the government to reduce the premium on our dollar could be taken only by the imposition of controls, I accept his denial of that fact. Does the minister deny that he ever made that statement?

Mr. Fleming (Eglinton): I made several speeches on this subject. I pointed out in very plain terms about five different courses which could be taken. I dealt with each of them, and this was one of them. I said that in the circumstances then existing, with respect to each of them, the damage, the harm that would be done by any of those courses would greatly outweigh the benefits that might accrue from them.

[Mr. Pearson.]

Mr. Pearson: Mr. Speaker, there are two methods by which this inflow of foreign capital can be reduced. One is to reduce the supply of foreign funds and increase the cost of borrowing abroad. That is the method adopted in this budget. The other is to make borrowing in Canada easier and less costly by easier credit and lower interest rates at home, which in our view is the better way of doing it. We are confirmed in that view by some impressive financial, and economic experts and businessmen in this country.

Mr. Fleming (Eglinton): Will the hon. member be telling us how?

Mr. Pearson: I will be coming to this. On December 5, 1960, the president of the Bank of Montreal had this to say, and I quote from Mr. Hart's speech:

A restrictive credit policy designed to offset the consequences of the excessive creation of debt could go beyond the salutary checking of a boom to become a deterrent to normal and desirable economic growth.

He went on:

A policy which was necessary and inevitable when inflationary pressures were active may have been maintained too long and may even have been unsuited to a situation characterized by unemployed productive capacity and, more seriously, unemployed people.

We on this side agree with that statement, Mr. Speaker. That is why the method advocated by us in this present situation, which I have just mentioned, in our view is much better adapted to our present economic conditions. It is a method also advocated by many other respectable and experienced banking and financial experts. It would not discourage long term foreign investment, but it would prevent the inflow of international—and I mentioned this when I spoke on the budget a year ago—hot money coming to Canada for speculative purposes only because of the higher interest rates prevailing in this country. Moreover, this method that we prefer would help meet the borrowing requirements of the provinces and the municipalities in a way that would reduce rather than increase their financial burdens. In our view the method proposed by the government is restrictive. It is likely to prolong the recession and the present stagnation. Our method is expansionist, and it would promote prosperity and growth.

I think, Mr. Speaker, the time has come to question the validity of traditional thinking on monetary and fiscal matters; the kind of thinking that keeps money tight and interest rates too high at a time of recession and high unemployment; the kind of thinking which relates, if you like, living beyond our means as a danger to this situation where half a million people in this country have no means

to live on at all except unemployment assistance. Perhaps in this connection I might quote an authority who is often quoted with approval by hon. gentlemen opposite and I think has already been so quoted in this debate. I refer to the financial editor of the Montreal *Gazette*, Mr. Meyer, who wrote this on December 15, 1960:

> Traditional thinking dominates the government's approach to economic problems. The way must be found to achieve flexibility of application—

He was talking of fiscal and monetary policies.

> —within the broad lines of constant policy.

We are not likely to have this, Mr. Speaker, until we once again have close, constant and constructive co-operation, togetherness, if I may use that word, between the federal government, which has the ultimate responsibility in fiscal and monetary matters, and the Bank of Canada, whose policies must be acceptable to and in harmony with the policies of the government if the right kind of relationship between them is to exist, for if the right kind of relationship does not exist this country suffers.

There must also be confidence and a frank and constructive relationship between the Bank of Canada and the private financial institutions of this country. It seems that something has gone wrong in this field of government and bank collaboration. The governor of the Bank of Canada, for instance, continually emphasizes—and I am not quarrelling with his right to emphasize, or suggesting that there is not some validity to the emphasis—the danger of living beyond our means. But spokesmen for the government take the opposite point of view. Indeed, last spring the minister of trade and commerce, who is now Minister of Veterans Affairs (Mr. Churchill), took direct and definite issue on that statement with the governor of the Bank of Canada and the Minister of Finance himself. On March 31, 1960, as found on page 2672 of *Hansard*, the minister had this to say:

> Over the years of our history economic growth has taken place at a faster rate—

"Has taken place at a faster rate."

> —than the additional net financial indebtedness to the outside world which has been incurred in the course of achieving it.

What is apparently a lack of complete understanding between them makes it difficult to appreciate whether the governor of the Bank of Canada is or is not speaking for the government in his public appearances when he discusses monetary policies in terms which, quite rightly, command a great deal of attention. The uncertainty on this point seems to me to be bad for economic and financial confidence in the country. If the governor of the Bank of Canada does not speak for the government in these matters and his words have no relationship to government policy we should know this. We should also be told, and perhaps we will be when the minister winds up the debate, the views of the government on credit policy and on the dangers of our current imbalances which are so emphatically and so continuously pointed out by the governor of the Bank of Canada and, indeed, by others.

Does the Minister of Finance, for instance, agree with Canadian bankers and officers of the Canadian Labour Congress, who have more than once in recent months expressed surprise that under present circumstances measures to limit inflation have not given greater way to measures to cope with unemployment? There is another feature of this budget—

Mr. Fleming (Eglinton): Mr. Speaker, before the hon. gentleman goes on to another subject, which I understand he is about to do, I wonder whether he would now come back and deal with the matter I raised when he spoke about the desirability of lowering interest rates and other measures. Would he tell us how he proposes to accomplish this purpose? Would he give us the means and particulars?

Mr. Pearson: The minister has the resources to do this, and I will come to this point later in my speech. I could spend a great deal of time on that one point alone, but we will be dealing with it when the budget resolutions come forward. I do suggest at this point, seeing that he has brought up the matter, that he has made it much more difficult for himself and for the government by the mistakes in financial policy that were made two or three years ago.

Mr. Fleming (Eglinton): Mr. Speaker, I asked a question—

Some hon. Members: Order.

Mr. Fleming (Eglinton): This is a question.

Mr. Speaker: If the Leader of the Opposition yields the floor, yes, but at the moment both hon. gentlemen were standing.

Mr. Fleming (Eglinton): I asked him earlier if he was going to tell us how, and I meant in the course of his speech today. I gather he has made his statement and is turning to something else. Would he tell us today, now—

Mr. Pearson: I will make my own speech in my own way.

Mr. Fleming (Eglinton): —how he proposes to bring about a reduction in interest rates?

Mr. Pearson: In spite of the interruption of the minister I will repeat what I said a moment ago, that the minister's policies of some time ago, especially his conversion loan policy, have made it more difficult to do this now than it otherwise would have been.

Mr. Fleming (Eglinton): You are running away from your own statement.

Mr. Pearson: The minister might also pay heed to what had been said on this matter by my colleague the hon. member for Welland (Mr. McMillan), who is not in the house this morning. He gave the minister some very good advice on this matter and in detail, not only in this debate but in previous debates; advice that was sneered at by the minister.

Mr. Fleming (Eglinton): Let us hear you make good on your promise to tell us how now.

Mr. Pearson: The worst and probably the most far-reaching proposal contained in the budget is that relating to changes in the application of the definition of goods of a class or kind made in Canada. This, Mr. Speaker, certainly is Tory budgeting with a vengeance. The proposed changes, if they meet with parliamentary approval as no doubt they will, will confer new, wide and arbitrary powers on the Minister of National Revenue, without any appeal from those powers, in determining the tariff on a great variety of goods but mainly on machinery. Whenever these new powers are used, and they can be used now by an arbitrary decision of the Minister of National Revenue from which there is no appeal, they will mean an increase in the tariff from 7.5 per cent to 22.5 per cent. Since a great increase of this kind will apply in most cases on goods used in Canadian production, and I am thinking particularly of machinery, surely that will weaken the competitive strength abroad of our export industries and of our manufacturing industries in the domestic market, because it will increase the cost of production.

This proposed step announced by the minister is inconsistent with and, indeed, is in direct contradiction to some of the warnings issued by the minister himself, including one contained in his budget speech. How can the minister reconcile this proposed change with his own words in his budget speech when he said, as found on page 1001 of *Hansard*:

> . . world markets are becoming increasingly competitive, and unless we can keep our costs of production in line with those in other important trading countries we shall find it increasingly difficult to sell our goods abroad and meet the competition of imports at home.

Those words are true. That is a good and salutary warning. How can the minister reconcile that with this proposal to give arbitrary powers to the Minister of National Revenue which, on commodities such as machinery, can result in increasing the duty from 7 per cent to 22 per cent? The Minister of Trade and Commerce (Mr. Hees) has been talking about this policy. He has been talking about a lot of things these days, but this is a remark which is more sensible than some he has been making lately. I am reading from a Canadian Press dispatch of the minister's speech in London, England, on January 7, in which it is stated:

> The trade minister said that Canada's living standards and her ability to provide full employment depend on her ability to remain competitive in international trade.

If this is the kind of government action that is taken to help us become competitive in international trade, it is more likely to invite retaliation from other countries and especially from the United States. We should not refuse to take action in this country in this field or any other field merely because it may invite retaliation, if we are sure the action is wise and good. But to invite retaliation because of an action which is neither wise nor good does not seem to me to be a very sound government financial or economic policy.

We intend, Mr. Speaker, to oppose this particular provision with all our strength. I warn the Minister of Finance that we will expect much more detailed information from him than we have now or than he gave us in his speech, before we are prepared to come to a final decision.

In the face of all these shortcomings in this budget, in the face of these inadequacies and these inconsistencies, the minister still says, as reported on page 1015 of *Hansard* for December 20, 1960:

> Here are measures to overcome the deeper causes and manifestations of unemployment;

You may ask what our policy would be in this matter. This is a question that is continuously being addressed to us by hon. gentlemen opposite. But, having asked it, they never bother about reading the proposals we have put forward or are putting forward. When we tell them what we would do, they come back again six months later and say, what would you do?

I will tell you what we would have done, Mr. Speaker. For one thing, we would have begun our anti-recession or anti-unemployment policies three years ago. We would have based those policies on certain principles, the most important of which is the obligation of government to accept the requirement of full employment in the economy. By "full employment" I do not mean 100 per cent employment, because that is not the economic

meaning of the phrase. I think that, in Canada, anything below 3 per cent would be considered as reasonably full employment.

I know quite well, as the minister would no doubt point out to me if he cared to interrupt again, that in a mixed economy with the private sector quite rightly being the most important sector of the economy, the government alone cannot and should not be asked to ensure full employment. This depends on the work, energy and initiative of the citizens and on an association of all the economic elements in our society, whose co-operation with government and whose vigour and enterprise on their own are essential if we are going to have full employment in this country. There is no doubt about that. There has to be this kind of co-operation before the government can be blamed for the inadequacies of its policies. But the government can, and the government must, as almost a first obligation, provide by its actions and by its management of affairs a climate of confidence based on sound policies for expansion and growth in which full employment can best be achieved, and indeed can only be achieved.

Only by, and only in, an expanding economy can the resources be found to meet the demands which the individual now makes on the government. If we have such an economy—and we have not got it at the moment—with full employment, then the government can carry these financial burdens without either inflation or excessive debt. In this way a government can give sound and progressive leadership. The principles upon which that leadership should be based were well expressed by a former minister of finance, Mr. Walter Harris, on April 5, 1955, in his budget speech, which I commend to the attention of the minister. This part of his speech may be found at page 2732 of *Hansard* for that date. He said at that time, and these were the principles upon which budgeting in our post-war years was based:

> When employment and incomes are high, and the economy expanding at a normally healthy rate, we should fully balance our budget, with a modest amount for the reduction of debt. I think there will also be general agreement that under boom conditions, when abnormal demands are putting undue strain on our resources and inflationary pressures are building up, fiscal policy should play its part along with other appropriate policies in placing some restraint on such boom conditions. Conversely, when the rate of economic advance slackens, and the economy as a whole is not fully employed, a moderate budgetary deficit should be no cause for alarm.

In the same speech he later said this:

> I propose to recommend to the house a tax policy and a tax structure that would produce a balanced budget under conditions which represent a high level of output and employment.

This was in 1955. A Liberal government, Mr. Speaker, would confirm and restate those principles in the handling of budgetary and economic policy, as it did in the past. It would confirm and restate them in a special employment bill which would be the 1945 white paper on employment and income brought up to date and put in legislative form as laying down objectives in reaching which a government should lead. In the implementation of those principles there must be more careful planning, better research and continuous consultation and co-operation at all levels of government and, as I have said, between government, labour, industry, business, consumer and expert.

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

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Pearson: Mr. Speaker, at the luncheon recess, in outlining our own approach as a party to the economic, financial and fiscal problems with which I was dealing, I had emphasized the necessity for planning and for co-operation and consultation between government and other elements in our society. As a central agency for this forward planning and for the consultation which is required in the circumstances of today, instead of the limited and inadequate productivity council which the government proposes to set up, we would set up a national planning commission. We have made this proposal more than once in this house. Indeed in the last few years it has been put forward in every session from this side of the house, although I think in earlier days we called it a national commission on employment and automation. A commission of this kind would have members drawn from government, labour, management, agriculture and consumers. It would have an expert staff and it would have adequate resources.

When this suggestion has been mentioned in the past, and whenever government spokesmen have taken any notice of it at all they have always countered with the suggestion that the government itself must take responsibility in these matters and cannot designate any other agency for that purpose. Of course, Mr. Speaker, that is correct. But a commission of this kind would not interfere in any way, shape or form with the responsibility of government. It would be advisory and consultative only. But in the growing complexities of economic society and in the growing burdens of responsibility placed on senior

officials of government who can give the government advice in these matters, it is becoming increasingly necessary—and other governments and countries have recognized this fact in their machinery of government—to set up some kind of over-all advisory planning body, not to interfere with government responsibility but to assist government in discharging that responsibility.

In brief, Mr. Speaker, our major economic goal as a party would be full employment in a mixed economy such as that which we have, through careful planning. To that end, of course, it is obvious that no single tool, governmental nor non-governmental, will do the job. All the tools of trade, fiscal and monetary policy, must be used with full co-operation between governmental and non-governmental agencies. The correct use of these tools is the art of government.

More specifically, Mr. Speaker, a Liberal government would accept what this government refuses to accept, namely ultimate and overriding responsibility for monetary policy and would direct that policy to promoting healthy economic expansion, something which in present conditions certainly requires easier credit and lower interest rates.

We would also separate the existing industrial bank from the Bank of Canada and would hope that it would act vigorously in order to provide risk capital for the purpose of assisting enterprising Canadians in starting new businesses. In addition, we would establish a municipal loan fund—and we have been advocating this course for years—to make additional finances available to municipalities on a long term basis for every kind of municipal improvement. Such measures would surely stimulate increases in output and in employment immediately and on a much broader basis than could be done by grandiose and expensive federal public works projects.

In the field of fiscal policy, as I already stated, a Liberal government would so manage its affairs as to balance its budget only at high employment levels. I know that during a period of economic emergency with high unemployment that policy will undoubtedly result in deficits but they will be planned deficits for a good social and economic purpose, and not accidental deficits. There would also be surpluses in boom years, as there were during our period of government, when they were derided by hon. members opposite.

Mr. Pigeon: I should like to ask a question of the Leader of the Opposition. I should greatly appreciate being allowed to ask it. May I do so?

Mr. Pearson: Yes.

[Mr. Pearson.]

Mr. Pigeon: Will the Leader of the Opposition tell the house whether he is in agreement with the views expressed by Mr. St. Laurent concerning "Answer Canadian" to question No. 10 on the census?

Mr. Pearson: I will ignore that interruption, Mr. Speaker, which is worthy of the hon. member.

Mr. Pigeon: The hon. member is afraid to answer.

Mr. Pearson: There would be deficits in time of recession and there would be surpluses in times of boom. It was on that basis that Mr. Walter Harris, as I mentioned this morning, planned for a deficit and in order to stimulate the economy proposed tax cuts amounting to more than $200 million in a full year. Surely that is in contrast to the planless drift of the present government which predicted a surplus in this current year and budgeted for that surplus when it was obvious all along that there would be a deficit.

When a recession begins a government must inevitably face a deficit. It must plan for that deficit at once so as to stimulate the economy and thereby lessen or shorten the recession. The opposite course, the passive, planless course followed by this government results in a larger deficit and a longer recession. The Liberal party believes that in conditions of emergency, but only in conditions of emergency, deficit financing that gets the economy rolling is better than a depressed economy and mounting deficits resulting only from the depression.

But that kind of deficit—and I want to emphasize this—should be planned in such a way as to produce quick results and should be ended with a balanced budget as soon as the emergency situation ends.

Mr. Fleming (Eglinton): Would the Leader of the Opposition permit a question?

Mr. Pearson: Yes.

(Translation):

Mr. J. A. Habel (Cochrane): Mr. Speaker, I rise on a point of order—

(Text):

Mr. Fleming (Eglinton): Mr. Speaker, I have the leave of the Leader of the Opposition to ask my question.

Mr. Speaker: There is an intervening point of order. Perhaps I should hear it before the minister proceeds with his question.

(Translation):

Mr. Habel: Mr. Speaker, some members of the Union Nationale on our left are engaged in a quarrel and prevent us from hearing what is being said in the house. Would you please call them to order.

Mr. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I must remind the hon. member for Cochrane (Mr. Habel) that those are not members of the Union Nationale but representatives elected by the Canadian people in the same way as members on the other side of the house.

An hon. Member: They are still quarrelling.

Mr. Tremblay: Mr. Speaker—

(Text):

Mr. Speaker: The point of order is a simple one. It is a question whether there is order or disorder, and hon. members well know better than I whether they are interrupting.

It is quite improper to interrupt the speaker who has the floor, particularly from one's seat. If an hon. member wishes to ask a question, and the speaker who has the floor is prepared to yield the floor and take the question, that is in accordance with our practice. But to interrupt, particularly with words or phrases, from a member's seat is not conducive to effective debate. The Minister of Finance (Mr. Fleming) wishes to ask a question.

Mr. Fleming (Eglinton): Mr. Speaker, I have the permission of the Leader of the Opposition to ask him a question.

Would he indicate to the house what size deficit he considers to be appropriate to the economic conditions of the country at the present time, as he assesses them.

Mr. Pearson: Mr. Speaker, that is a very stupid question coming from a man who of course knows better than I do that—

Mr. Fleming (Eglinton): Then would you answer?

Mr. Pearson: It is not so much the size of the deficit; it is important that the deficit should be of a character planned in advance to correct the recession.

Mr. Fleming (Eglinton): But what amount?

Mr. Pearson: The Minister of Finance asks me, the Leader of the Opposition, to make a declaration during the budget debate on the amount of deficit we should have at this particular moment, to do the job that I am saying should be done by the government, which has a deficit that is accidental, was not planned. They did not even know the amount of it themselves three months ago, because they thought it was going to be a surplus. In the face of that, the minister asks me this afternoon what the deficit should have been.

Mr. Fleming (Eglinton): What would you plan?

Mr. Pigeon: You are afraid to answer my first question.

Mr. Speaker: Order. The hon. member who is interrupting has no right to comment from his seat, nor to rise for a question unless he can secure the attention of the member who is speaking and the member who is speaking resumes his seat.

Mr. Pearson: Mr. Speaker, we—and this has some bearing, no doubt, on what the Minister of Finance is driving at—would propose four fiscal measures, among others, which could be easily adjusted so that they could be brought to an end when the circumstances made that desirable.

The first one would be a temporary reduction of the rates of personal income tax. That is not—as the minister and others have indicated in their public utterances—an irresponsible proposal. It is a sound economic proposal for the present emergency situation.

This method of dealing with a recession is not new. We used it with good effect in this parliament in 1954 and 1955. We on this side advocated it in 1957 and 1958, when it was ignored by the government, who preferred what they called a billion dollar public works program. It is being advocated today by economic and financial experts in this country, a great many of them, objective economic experts. It is being advocated today in the United States by the economic adviser to the new democrat administration, Professor Samuelson. It is being put forward by the governor of New York in the budget he is going to introduce in a few weeks time, and he is no long haired, left wing reformer. It is an eminently sound and sensible proposal to make in circumstances such as we face today, and only in those circumstances.

Our second proposal would be that unemployment benefits should be increased for those taking vocational courses. That would have both an economic and a socially beneficial effect.

Our third fiscal measure would be accelerated depreciation allowances to help all business firms that wish to expand and put in new equipment, without the limitations placed on this device in the minister's proposal.

Our fourth measure would be that federal contributions to municipalities undertaking urban renewal projects should be increased and broadened.

These are all emergency, anti-recessionary and employment measures and they are put forward only in that sense. Other Liberal proposals which we have recently put forward do involve new, long term financial commitments, as contrasted with the emergency measures which I have just mentioned. Perhaps the most important of those would be a medical health plan.

But these long term measures, these long term proposals, should be implemented during an expanding and not a receding economy. That is the only way it can be done. But they should be implemented when the present emergency ends, because they correspond to the needs of Canada in the sixth decade of this country, and because in an expanding economy we can carry the financial burden that they involve. After all nobody can carry it but the taxpayers of this country.

As I have already said outside this house, all the money for these things, these long term measures and indeed the short term measures, comes out of one pocket, the taxpayer's pocket; and if we are going to take it out of his pocket—and in these circumstances that is the right course to adopt—then we should arrange our economy so that we put more money in his pocket from which we can draw. Only then would the burden be supportable.

Careful and sound planned requirements with priorities should be established. The present unemployment emergency comes first. That is the greatest evil, the greatest social, economic and human evil that we have to face. That is why we Liberals advocate, as we have for three years now, an all-out planned attack against unemployment in order to get Canadians back to work. Such a program will be an emergency one and should be an emergency one. It will not be needed when our economy starts to move forward again and full employment has been restored.

There is one other subject which I wish to touch, because the minister devoted a good deal of time to it in his speech, and indeed in that speech he related it to the present position in Canada. I am referring to our export trade. While we have talked in this house during this debate mostly about domestic trade problems, it is impossible to underrate the importance of the problems of our external trading relationships.

The expansion of our exports is essential, and restrictionist policies which might prevent such expansion are bad and dangerous. I mentioned one of them this morning, and there are some others in this budget. We must do everything possible to encourage exports. Before I say a few words about the general problem I will make one concrete proposal. It is this; to encourage domestic manufacturing industries to increase their exports, tax incentives should be offered, including a reduction in corporation income tax on the profits earned on increased export sales.

It is quite clear to every member of this house that export trade is more important than ever. It is also encouraging and a cause for satisfaction that it has held up so well during 1960. But there are circumstances at the present time—and the minister has mentioned some of them—which give us some cause to worry about the prospects of export trade in 1961.

The trend in regard to our increase in exports over the years is interesting. The physical volume of exports rose between 1950 and 1953 by about 20 per cent. From 1953 to 1956 it rose 13 per cent, and from 1956 to 1959, 5 per cent. This year, as the minister has pointed out, an expanding European market proved, I do not think it is an exaggeration to call it so, a life-saver. But the United States market continues to be the most essential factor in the development of our export trade, and there are certainly dangers here. One danger would be to prejudice increased access to that market by adopting trade policies with regard to some other markets which, though they might have certain immediate benefits, might injure the long range development of our access to the United States market.

It is impossible to talk about the export trade and our markets abroad without talking about the regional associations which are now developing all over the world and particularly in Europe. There are today international trade developments taking place in the building up of regional trade associations, common markets and free trade areas which must disturb and, possibly, dislocate the customary pattern of multilateral trade from which Canada in the past has benefited as much as any single country in the world.

These developments, especially those in Europe, could have important and far-reaching potential effects politically and economically. They could also, as has been pointed out, if they are carried out in the wrong way, weaken instead of strengthen the free democratic countries, especially if they result in increasing rather than decreasing the obstacles to trade between the free nations within these associations and the free nations outside. That is true, but it is no good Canada or any other country trying to protect itself against that kind of result by giving irritated lectures to the British or other European governments on the sanctity of special arrangements.

Canada should take a very different kind of leadership in this matter in the advocacy of closer integration on the widest possible basis. We should seize that kind of initiative, help break through these European developments in the interest of making them Atlantic developments before it is too late. Surely, this is a strategic moment at which to do

this, with a new and forward looking administration taking office in Washington.

Surely this is the time—and it may not persist over many months—when we should make such a break through in the direction of converting these European associations into an association on a broader basis than that of Europe alone. We had a wonderful opportunity to begin that process in this country three years ago when the British made their free trade offer. That is gone. Let us try to manufacture new opportunities now, because if these developments take the wrong course we shall suffer more than perhaps any other country. Let us try to build up an Atlantic trade area with nations cooperating closely together in an association which would be open to others who might wish to join.

What has this government done in pursuing such an objective? It has threatened our friends in Europe that if they take certain steps we may have to retaliate. The Montreal *Star* of November 18 quotes the Minister of Finance as saying—and this speech has been referred to already in this debate—that a common agricultural policy for Europe if adopted by the United Kingdom in whole or in part would be totally unacceptable. The report goes on to quote the minister as saying that if that happened:

> —the pressure for Canada to embark on closer trade associations with other countries, particularly the United States, would understandably be increased.

I take it that is a kind of threat of massive retaliation.

Mr. Fleming (Eglinton): It was not a threat at all.

Mr. Pearson: Well, it has been interpreted in practically every country, which has commented on it as a threat.

Even more peculiar was the statement of the Minister of Trade and Commerce (Mr. Hees), among other recent peculiar statements which he made in Paris on December 15 when he entered for the first time into the international economic club, that if the E.C.M., that is, the European common market, put their announced tariff schedules into effect, we would retaliate. I may be wrong about this, but I understand that these tariff schedules have been put into effect.

According to the Paris correspondent of the Winnipeg *Free Press* of December 15, the Minister of Trade and Commerce went even further. He warned European ministers at the O.E.C.D. signing, this report states, that unless the European common market substantially reduced its announced tariff affecting imports from Canada at the GATT negotiations in Geneva Canada would retaliate by increasing its barriers against imports from the six European countries.

I suggest that this kind of talk is not very sensible economic diplomacy as, indeed, was pointed out by the financial editor of the *Gazette* who wrote, referring to the speech made by the Minister of Finance on November 24, and I quote from Mr. Meyer's editorial:

> Mr. Fleming must be very careful, however, not to become a victim of his own forthrightness. Retaliation has its place in international dealings but it can never substitute for policy. One would wish Mr. Fleming were more forthright about the alternatives. He does recognize at least one alternative—"Closer trade association with other countries, particularly the United States"—but there is no indication this would be any more satisfactory than retaliation.

A correspondent of the *Financial Post*, Mr. Clive Baxter, writing in that paper on December 10, goes further. He is writing from Brussels after having talks with officials of the European common market, and he has this to say, quoting an E.C.M. executive:

> Please explain to Canadians that while we sympathize with your problems you cannot scare us with the sort of threats Mr. Fleming used.
>
> If you don't like what we are doing you are, of course, free to take whatever measures your government sees fit...
>
> Much as we like Canada and Canadians, don't ever think that a market of 17 million people can threaten us into changing our basic plans...
>
> Please don't lose your sense of proportion. You are going to have to live with us in the future, and to withdraw into an angry protective shell can only mean more and worse trouble for your economy.

I should like to give the minister a little piece of advice, namely that he will not be successful in blasting his way into the markets of Europe at this time.

Mr. Fleming (Eglinton): I should like to give the hon. gentleman some advice, not to misinterpret what other people say.

Mr. Pearson: The language is plain.

Mr. Fleming (Eglinton): It is reckless misinterpretation.

Mr. Pearson: I have reported what has appeared in a very influential Canadian economic newspaper.

Mr. Fleming (Eglinton): It was not accurate then, and it is not now.

Mr. Pearson: If that is the kind of interpretation which can be placed on the statements of ministers they ought to look into the wisdom of their statements. Instead of using this kind of verbal threat, it would be much more constructive if they took the initiative in trying to project this European common market into an Atlantic market. There is a

good opportunity for it now. With new developments in Washington, I suggest it would be a great thing if the Canadian government could take the initiative in realizing this opportunity.

In conclusion, Mr. Speaker, may I say that this particular budget does not recognize the seriousness of the problems we face. Our country will solve these problems, of course. We on this side have faith and confidence in the Canadian people and in the destiny of Canada; but we have no faith or no confidence in a government which is not giving leadership, steady and wise administration, and which has not played its full part in the solution of those problems.

Our worry is not about the Canadian people; our worry is about the government, and that worry is shared by an increasing number of Canadian people. We have no illusions about the complexities and difficulties of the problems. We know there is no single solution for our problems. In this respect, maybe I can quote with complete approval another paragraph from the speech of the governor of the Bank of Canada. He said the other day:

> Our difficulties have a variety of causes, and some combination of a number of various lines of attack will no doubt provide the best solution. It is important to realize, however, that there is no single easy solution, no method which does not involve effort and thought and the adaptation of earlier ideas to the actual conditions of the day.

The lead in such effort and thought and in the adaptation of earlier ideas to the problems should be given by this government. That is not being done. That is why we moved this amendment, and that is why we will vote for it.

Mr. Brunsden: Will the Leader of the Opposition permit a question? Mine is a very simple mind, particularly with respect to finance. The Leader of the Opposition deplores federal deficits; he advocates cuts in taxation, in corporation and personal income tax. He advocates more spending. How does he reconcile these three?

Mr. Pearson: I would not try to reconcile what the hon. member has just said because I never advocated any such thing.

Mr. Clement O'Leary (Antigonish-Guysborough): Mr. Speaker, I will not undertake to comment at any length on the remarks just concluded by the Leader of the Opposition (Mr. Pearson). I will simply say I was deeply disappointed that he continued to parade that note of pessimism so characteristic of the party that he leads. I was also a bit amazed and surprised at the inconsistency obviously shown when he indicated certain agreement with the principles of this budget and yet at the same time he continued to criticize the policies set forth in it.

On Tuesday evening the hon. member for Burin-Burgeo (Mr. Carter) commented that this budget contained nothing for the Atlantic provinces. When I have concluded my remarks I believe I will have proved conclusively that this statement was inaccurate. I will refer to direct benefits that will accrue to my constituency from this budget, and I will also refer to indirect benefits, and I would ask the hon. member for Burin-Burgeo to put the two of them together and recognize the fact that these indirect benefits apply to us in the Atlantic provinces as Canadians. I must admit there were a number of years when I doubted whether Ottawa did recognize the Atlantic provinces as Canadian provinces. However, this government, in one of its first acts, very quickly dispelled any doubts that we had in our minds. I refer, of course, to the special grants of $25 million to the Atlantic provinces.

I want to congratulate the Minister of Finance (Mr. Fleming) first of all on having seen fit to introduce this supplementary budget at this time; and, second, on the nature and content of it. That it was timely was well expressed by the minister himself in his opening remarks when he said, as reported at page 999 of *Hansard*:

> Not only must policies be flexible from year to year, but there are occasions when it becomes appropriate to reassess the economic outlook and to adjust fiscal policies between the main budget dates. This is such a time.

The recognition of the need for flexibility in our economic policies to which the minister referred both last month and on introducing this present interim budget is the reason we have this budget before us. I noted that on Monday my respected friend, the hon. member for Welland (Mr. McMillan) did not embrace too warmly the concept of flexibility that the minister pointed out; but I sincerely believe that this hon. member is the type of person who, if he were in the minister's position, would not permit changing economic conditions both at home and abroad to take place without taking what he would feel would be appropriate action as quickly as possible to cope with such a fast changing national economy. This is exactly what the Minister of Finance has done.

During my few years in this house I have gained the impression that the Liberal party on more than one occasion felt, or at least attempted to convey the idea, that this government did not act promptly enough or was too inflexible or did not adapt itself readily enough to change. Obviously the hon. member for Welland does not support this idea.

On Monday last the parliamentary secretary to the Minister of Finance (Mr. Bell) neatly summed up the objectives of this budget. He did this in five propositions and I feel they are well worth repeating here. I quote from page 1079 of *Hansard*:

> To provide immediate stimulus to employment; to intensify the impetus to balanced economic development; to encourage more effective use of Canadian savings in the development of our resources and industry; to assist in the improvement of our balance of payments situation and to keep a tight rein on inflationary pressures.

So far in this debate I have not heard any of the opposition members provide anything by way of conviction that such objectives could not or would not be attained.

It is quite true, Mr. Speaker, that this supplementary budget, because of what it sets out to do in order to meet the challenge of the times, will mean a deficit at the end of the fiscal year rather than a modest surplus as predicted by the Minister of Finance last March. I ask, what is the reaction of the people of Canada to this deficit as forecast? I think it is obvious that they recognize it as a further indication of the Progressive Conservative party keeping faith with the people and, more specifically, with the Prime Minister's pledge to the effect that the welfare of Canadians would be a prime consideration, deficit or no deficit.

Certainly no one in this nation should be shocked by deficits as such and certainly not in this instance when the budget provides for these worthy objectives which I have already outlined. As has already been pointed out by speakers on the government side in this debate, deficits have been experienced many times in this country both under Liberal and Conservative administrations. Then too, it has been quite correctly pointed out that the present forecast deficit represents but 5.6 per cent of our total expenditures for this year whereas under Liberal administrations in the past we have had deficits representing 14.6, 19 and even as high as 35 per cent of the total expenditures in those days. These reflections should cushion the pretended shock of even the most pronounced opposition critics.

The tax and fiscal measures outlined in the budget plus the legislation already passed by the house during the pre-Christmas session provide for an increased program of assistance to municipalities for winter works projects; improvement in the terms of mortgage lending; Central Mortgage and Housing Corporation in partnership with provincial authorities undertaking the purchase, improvement and rental of existing housing; loans to universities for students' residences; establishment of a productivity council; loans to small businesses; generous assistance to provincial vocational training programs, plus a further 21 measures to come before the house, all this adds up, Mr. Speaker, to a program of such a nature and of such magnitude as should allay even the voiced fears of the gloomiest of opposition members.

Representing a constituency of farming, fishing and small businesses of various types and, incidentally, the seat of a university world renowned in the field of adult education, I know that the people of my area will quickly recognize and appreciate the several items in the government's program which directly apply. I will not labour the matter by reciting the entire field where these various measures directly apply, but considering the productive components of my constituency as I have already stated them it is obvious from which measures it will benefit most.

However, I do feel that I must make brief reference to the rural rehabilitation and development program referred to in both the throne and the budget speeches. In so far as my constituency is concerned, this legislation and the ensuing action will be warmly welcomed. I know this will be true right across the country, and I would point out that it is but one more of many progressive steps toward a well-rounded national agricultural policy as announced by the Prime Minister on August 30, 1958. I wish to quote briefly and in part the words of the Minister of Finance with reference to this item in his budget presentation on December 20, as found at page 1003 of *Hansard*. With reference to the rehabilitation and development program, he said:

> This measure envisages a far-reaching program of rural development which taken together with existing facilities and program for assistance to farmers adds up to a well rounded and comprehensive agricultural policy for Canada. Under this program, to be undertaken in co-operation with the provinces, we may look forward to a general betterment in the quality of our agricultural resources through projects for soil improvement and water conservation; the diversification of economic opportunities available in rural areas; the more effective use of marginal lands by converting them to community pastures and woodlots. These and other related activities encompassed in this program are directed to the long standing objective of the government to raise the standard of living and improve the economic opportunities of our rural population.

In view of the fact that at the present time a large section of our rural population is trying to make a living on marginal and submarginal land and that approximately one third of our farmers across Canada have a gross income of $1,200 a year or less, the need of such a program goes unquestioned. Incidentally, in the province of Nova Scotia and in my constituency the number who have

a gross income of $1,200 or less considerably exceeds one third of the total number.

I know that the hon. member for Inverness-Richmond (Mr. MacLellan), the constituency adjoining mine on the east, will agree with me that this measure is timely indeed. I refer to the $40 million pulp mill being constructed in his constituency directly across the strait of Canso from Guysborough county and which it is planned will be in operation in the first quarter of 1962. Both our constituencies can provide ample scope for the conversion of marginal and submarginal land into specialized use for forest crops and thereby provide an additional source of wood supply for this new mill.

In addition, of course, to the forestry aspect of this legislation, we hope that there will be embraced such other urgent matters as farm surpluses, more productive use of our land and water resources, drainage, erosion control and the establishment of many of our farmers on economic family farm units. I believe the hope of this legislation is to provide new and diversified opportunities that are at present not available to traditional agriculture. Those farmers who have not classified as at least reasonably productive in the traditional field will be afforded an opportunity to move into other new and specialized fields, and those whose higher productivity warrants their remaining in traditional agriculture will as a result immediately increase their opportunities to pick up markets formerly supplied by an aggregate of these low productive farmers who have moved into other than traditional fields of agriculture. Thus we see that all farmers in all regions of Canada will benefit by this legislation.

The Nova Scotia federation of agriculture in its 1960 annual brief presented to the Nova Scotia members of the house recommended practically the identical solutions which we understand will be part and parcel of this rural rehabilitation and development legislation as outlined in the budget.

At this time, because it is directly related and is of vital concern to our farm woodlot owners, I wish to commend the government on its establishment of the Department of Forestry last year. I compliment the Prime Minister on his excellent selection of a minister to head this department. At the same time I warmly congratulate the minister on his appointment.

Like other members, I have received numerous inquiries for information with respect to the small business loans legislation and I was very pleased to hear the Minister of Finance say on Tuesday in replying to a question that the regulations and application forms had been distributed to the banks and it was expected that lending operations would commence yesterday. I am pleased too and I know that all across Canada our university students and their parents welcomed the budget announcement with respect to the allowance of tuition fees before calculating taxable income where applicable.

When listing the items of legislation enacted during the pre-Christmas session I included loans to universities for students' residences. I do not think I need remind the house that such a measure is much appreciated by almost all Canadian universities so hard pressed to accommodate their ever-growing student bodies. Unprecedented numbers of students are entering our universities. As a matter of fact, the annual increase in enrolment since 1955 has considerably outpaced the forecast of the statisticians. This would lead one to believe that even though the granting of scholarships offer desirable opportunities to Canadians and therefore have genuine merit the great problem in this field today is the plight of our universities in attempting to provide facilities and accommodation for the increasing numbers of our young people who presently have or may secure the funds with which to attend university and who cannot be accommodated.

The Canadian Universities Foundation made this very clear when presenting its brief to the Prime Minister (Mr. Diefenbaker) in October, 1960. This brief states in part, and I quote:

> Scholarships to aid the individual are good in part, but it must be remembered that a scholarship, like a cheque, is valuable only if the institutions possess the assets to back it up.

The brief goes on to say, and I quote:

> The present preoccupation of the universities is to find sufficient funds to look after unprecedented numbers of students.

Obviously the Liberal party, in its recent pronouncements outside of this house, almost wholly ignored this important fact. It is true that in their resolution on this subject they did indicate that present federal grants for the support of universities would be continued and extended as necessary. I wonder, however, if they would not have exemplified a greater grasp of the problem if they had included something more akin to this government's recent action in introducing the loans to universities legislation.

Appreciating this splendid legislation, never forgetting to be grateful to this government for being the first administration to tangibly recognize the special needs of the Atlantic provinces by making available to them some $25 million annually; not losing sight of the fact that this government since taking office has increased direct assistance to universities by 20 per cent of the total grants made between 1952 and 1957 or paid 60 per cent

of the total grants made between 1952 and 1960; not overlooking the fact that in 1958 this government increased per capita grants to universities from $1 to $1.50, I now call to the attention of the Minister of Finance the unique and unfortunate position of Nova Scotia universities with respect to these per capita grants. I would point out immediately that the formula for these grants was not set up by this government but rather by the royal commission on national development in the arts, letters and sciences in 1952. I know that the minister is already aware of this situation and would welcome an immediate solution.

Simply stated, the problem results from the fact that all the universities of Nova Scotia draw their students from outside the province to a greater extent than universities in the other nine provinces. For example, the rates of student population to total population in the university year 1959-60 was 1 to 136. By contrast, the rate for Newfoundland was 1 to 424. In terms of dollars received, this meant that for 1959-60 Nova Scotia universities received $203 per student or $432 per student less than Newfoundland. This amount was $63 less per student than the average grant per student for all Canada which was $271. I realize that comparing the per student grant for the province of Newfoundland is scarcely fair in view of the circumstances. However, I do so only because Newfoundland receives the highest per student grant of any of the provinces. The case I wish to make here is that Nova Scotia university grants should immediately be brought up to the national average, if at all possible.

If Nova Scotia universities had received grants equal to the national average they would have received an additional $359,312 in the academic year 1959-60 alone. St. Francis Xavier University at Antigonish would have received approximately $100,000 more for that year alone. Recognizing the great need for steadily increasing operating income for all universities, as is illustrated by Edward Sheffield in the publication entitled "Financial Needs of Canadian Universities", it is not difficult to understand why the position of Nova Scotia universities particularly is becoming precarious.

Mr. Carter: Will the hon. member permit a question?

Mr. O'Leary: Certainly.

Mr. Carter: Before the hon. member finishes his speech, would he be good enough to explain to the house which of the budget resolutions arising out of this budget are going to be of special benefit to agriculture in his province, which of the resolutions is specially designed to take care of development problems in the Atlantic provinces, and how they are going to work?

Mr. O'Leary: I will send the hon. member a copy of *Hansard* tomorrow, and he can look for it himself.

If Nova Scotia universities had received a grant equal to the national average, as I have already pointed out, they would have received $359,312 for the academic year 1959-60. Lest there be any misunderstanding of my argument for Nova Scotia universities by hon. members from British Columbia, Manitoba and New Brunswick, the other provinces where the per student grants to universities fall below the national average, I believe it best to quote from the Canadian Universities Foundation brief of October, 1960, in which it was noted that Nova Scotia constituted a special case. Arguments were advanced as to why this was so. Appendix C was added to this brief entitled "The Nova Scotia Universities: A special case". I will quote briefly the appropriate extracts from both the brief and appendix C. On page 12 of the brief, we find the following, and I should like to emphasize that this is not a Nova Scotia brief but the Canadian Universities Foundation brief:

> We would like to emphasize here the point that Nova Scotia constitutes a special case, and that the problems in that province would not be solved even by the increase in per capita grants that we recommend. Dalhousie University, for instance, is responsible for a large part of both the professional and the graduate education, not only in Nova Scotia but in all the maritime provinces. All the universities of Nova Scotia draw their students from outside the province to a greater extent than universities elsewhere.

Then, on the same page the brief continues:

> For this unusually large student population—the largest proportionate to provincial population of any section of Canada—there exist resources substantially lower than in any other area of Canada.

Then going to appendix C of this brief, page 1, we read:

> —because this province has a large number of universities for its size and consequently a larger number of students in proportion to its population than the other provinces, its universities are inadvertently being penalized under the present system of federal grants in receiving a smaller grant per student than those of any other province.
>
> Nova Scotia differs from the other provinces that also receive federal grants per student below the national average in that all of its universities are private foundations, except a provincial technical college which provides only the last two years of the engineering course. They are not therefore in receipt of the very extensive provincial support accorded to the provincially-operated universities by other provinces and extended to their private universities as well. Moreover, the very existence of the larger proportion of students in relation to provincial population in

Nova Scotia would make such an undertaking more onerous than in the higher income provinces of central and western Canada.

On page 2 we find the following:

Not only are the Nova Scotian universities hampered in cultivating the province's most precious resource—its people—they are, in educating many young people from other provinces and many young Nova Scotians who move to other parts of the country, trying to discharge a national responsibility under a severe financial handicap. The national outlook and function of Canadian universities, referred to earlier in this submission, is no less characteristic of Nova Scotian universities than of those of other provinces. Indeed, the relatively greater pressure of increased enrolment in central and western Canada is bound to induce more and more students from other provinces to enter Nova Scotian universities and thus to enhance their national character. Here then is an added reason for assuring the universities of this province of adequate support.

Then on page 3:

It has been pointed out that even though the need for federal financial support has, if anything, been greater in Nova Scotia than in the wealthier provinces, the federal grants to Nova Scotia per student have been, since their inception, not only below the national average, but the lowest received by any of the provinces.

Then in its conclusion the appendix states:

Only extraordinary financial assistance can save Nova Scotia's universities from severe deterioration in the next few years.

I fully realize, Mr. Speaker, that this whole subject of per capita grants to universities is an integral part of federal-provincial agreements and I have no doubt that under the new agreements of 1962 a more equitable formula will be set up. However, in view of the emphasis which the Canadian Universities Foundation, voicing the sentiments of the majority of our universities across Canada, has given the subject of Nova Scotia universities with respect to these grants, I hope that the Minister of Finance and this government may see fit to offer some alleviation of the problem at the earliest opportunity.

I stated earlier, Mr. Speaker, that I would not recite in detail all of the measures in this budget which directly affect and offer assistance and relief for the people in my constituency, the people of Nova Scotia and the people of the Atlantic provinces. I have mentioned but a few of those direct benefits. I will now conclude by way of a general statement indicating that those measures to which I have not referred, those measures which indirectly affect not only my constituency but my province and Canada as a whole, are but further positive proof of this government's genuine concern for the people of Canada, for Canadian ownership and control of our country's resources and industries, for expanded productivity and full employment and its determination and ability to carry out its pledges to the electorate.

[Mr. O'Leary.]

(Translation):

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, my first words will be to congratulate the Leader of the Opposition (Mr. Pearson) for the masterful speech he just made in this house. I know that others among my follow members will have the opportunity to air their views and say whether they consider the opposition leader's allegations justified.

Mr. Speaker, first of all, before coming to the point of the matter—I say to the point of the matter, because some of my friends will find in it matters that are rather pointed—I would like to rectify a statement made this morning by the Prime Minister of Canada (Mr. Diefenbaker), when he asked in this house why we, the Liberals, were not bringing up that famous question of national census, which has aroused so much protest. First of all, Mr. Speaker, it is not because the Prime Minister mentioned the matter that I am dealing with it. I might say to the Prime Minister that if he had taken the trouble of reading the official record or if some of his friends had done so, he would have found that the hon. member for Beauce (Mr. Racine) did refer to the matter of the census and expressed some very clear and concise views on the subject. He was one of two Liberals in the house who dealt with the matter. His share was 50 per cent, whereas on the Conservative side, the percentage is zero. Mr. Speaker, this is the proportion of those in the two great parties who are discharging their responsibilities in the house, and that is not all.

I now come to what I shall call "the Pigeon incident." When the Leader of the Opposition was speaking a moment ago, an hon. member rose and said: "Tell us about Mr. St. Laurent and his view." I am delighted that my good friend should like to hear our views on Mr. St. Laurent's statement. He will realize that inside the Liberal party, we are free to express our opinion.

First of all, Mr. Speaker, I shall say that I, for my part, am proud of my ethnic origin. That ethnic origin is French and I am proud of it. I owe it to my ancestors, while for my Canadian nationality, of which I am also proud, I am indebted to Mr. St. Laurent, the former Liberal prime minister, who caused that origin to be recognized in this house.

Now, since our friends are anxious to hear about Mr. St. Laurent, may I say this: When Mr. St. Laurent was prime minister of Canada he assumed his responsibilities.

When, in 1961, he gives his personal opinion as a citizen of the province of Quebec, I respect that opinion to which he is entitled. But I would point out to my friends opposite that if Mr. St. Laurent assumed his responsibilities when he was prime minister, the present Prime Minister should also assume his. And the outcry arising from various parts of this country at the moment is directed against the head of the present government and the arbitrary decisions taken by his government, and he is the one who must assume any responsibility, so long as he remains the head of the government.

Furthermore, Mr. Speaker, with reference to Mr. St. Laurent, I should like to compare the 1951 census taken under Mr. St. Laurent to the coming 1961 census. Mr. St. Laurent's government, like all former governments, always respected ethnic origin. Question 17 in the 1951 census read as follows:

What is your origin?

In answer to that you have:

English, French, Irish, and so on.

How can our Conservative friends from Quebec remain complacent or at least silent while the 1961 census, under their administration, is about to do away with ethnic origin completely and while such data is essential if the census is to have any historical significance?

Mr. Speaker, I am definitely against this item which has been introduced into the 1961 census form, item No. 10 which says:

What is your origin on your father's side?

The first answer suggested to that question is "Canadian origin".

Mr. Speaker, my own ethnic origin is French, and I am proud of it. At the same time, I know that people whose ethnic origin is other than mine are also proud of theirs. If anyone anywhere is ashamed to say that he comes from Germany, or elsewhere, let him use, as was indicated on the 1951 census form, the last square of question No. 17.

Did you know, that in the 1951 form, a special clause or space was provided for anyone ashamed to say that he came from Germany or elsewhere.

Mr. Speaker, this concludes my remarks on the census. I am anxious however to see our friends opposite assume their responsibilities.

As for Mr. St. Laurent, I shall be forever grateful to him for giving Canadian citizenship to Canada, and I shall keep calling him a great Canadian. I respect his personal views, knowing that he respects ours.

I shall now deal with the speech delivered on television the day before yesterday by the Prime Minister of Canada. Yesterday's issue of *La Presse* reported that speech as follows. The Prime Minister stated:

The Progressive Conservative government has been criticized for its inability to provide an answer to the unemployment problem since it came into power three and a half years ago. But far from being a new problem, unemployment had been a chronic uneasiness, affecting the Canadian economy for a long time. Because those things were not done when they should have been, the entire Canadian economy found itself defenceless against the foreseeable effects of the recession that was already in progress when we came into power in June 1957.

I like it very much when the Prime Minister says he was defenceless against the effects that were nevertheless foreseeable. Therefore he did foresee the effects he mentioned. If he did foresee those alleged effects, why then did he proclaim throughout Canada during his 1957 and 1958 election campaigns:

(Text):

"No one will suffer as long as I am Prime Minister".

(Translation):

Why did he state to the whole country that he, John Diefenbaker, was able to settle all those problems in no time?

Why all those mutual commendations and rejoicings on the part of our friends opposite, after the first budget? Why did they claim that the worst was over and that we would recover from that temporary recession.

What those hon. gentlemen were calling a temporary recession in 1958, has now become, in the Prime Minister's own words in a T.V. broadcast, a situation into which he claims to have been pushed and against which he is powerless.

I would like to recall, for a few minutes, how right people are to say of the Conservatives that the more they change, the more they remain what they were. As I said before in this house, under the Conservative rule of Bennett, Borden, Bracken, Meighen et al—

Mr. Fortin: The hon. member was not born at the time.

Mr. Dupuis: Nor were you yourself born at the time of Napoleon, and yet you know about him. As I said before to your colleagues—

Mr. Tremblay: All repetition loses in savour.

Mr. Dupuis: Last year, the member for Roberval (Mr. Tremblay) recommended to certain fellow members to read the "Journey of Mr. Perrichon". As for me, I advise the hon. member for Montmagny-L'Islet to read "The True Face of Maurice Duplessis". This will hold him for a while.

Mr. Speaker, as I said, the more things change, the more they remain as they were before.

Mr. Fortin: As in Quebec.

Mr. Dupuis: Now listen to this.

Mr. Fortin: As in Quebec.

Mr. Dupuis: Mr. Bennett, prime minister of Canada, stated on March 17, 1931, that is, a few months after he came to power in this country—you will think, Mr. Speaker, that it was the present prime minister speaking. This is what Mr. Bennett said in 1931:

> Why is it that present conditions prevail in Canada? Do you realize that this new land, in the present world-wide depression, should have been able, had its policies been adequate, to escape such results? Do you realize that if this country had been making thoughtful provision for the future, if its leaders had been looking into the future, with eyes of vision, there should not have come this disaster to the Canadian people?

And Mr. Bennett added:

> Do you realize that this government has been in power eight months and that whatever conditions prevail in Canada today are attributable, not to it but to the governments that preceded it?

Mr. Speaker, the more we compare Mr. Bennett's words with those of Mr. Diefenbaker, the more we realize that they are similar, to the point of completely merging together.

Mr. Speaker, here is another gem spoken by Mr. Bennett, who was still prime minister, but by then he had been in power five years, since the statement is dated 1935. Four years had elapsed since the first and the second statement. In the first instance, after eight months in power he had said: "Blame that on the others, and give me time."

The following statement was made four years later. In January 1935 the same R. B. Bennett shortly before his notorious downfall said this:

> Is there one hon. member opposite who is so unfair as to ignore the circumstances under which we found ourselves in 1930?

Just imagine—

> Does he not recall the words spoken by the prime minister of that time when he denied that there was any unemployment in this country, and read statistics to back up his statement? Is there one fair-minded member in this house who fails to understand that those were the circumstances we had to deal with?

The laments of the 1935 prime minister, we find them again in the mouth of the present Prime Minister, and in the words he spoke on television. The 1935 prime minister said: "We have been in power for only four and a half years and if things are not so good, others are to blame".

As for the statements made by the present Prime Minister during the last election campaign, I will not refer to them again. I quoted about thirty of them last year. I could quote three or four hundred of them.

Instead of statements by the present Prime Minister, let me quote Mr. Bennett's. You would definitely think that the words are from the same man. The present Prime Minister has probably delved into history to learn the art of achieving power quickly by means of promises.

What he seems to forget is how one falls from power when promises are not kept.

On June 25, 1930, speaking at a meeting at Cobourg, Mr. Bennett also said—and again you would think that the words are from the present leader:

> If we are elected, we will undertake and complete the St. Lawrence seaway.

On another occasion the same Mr. Bennett said:

> This is a young country and there is no reason why there should be unemployment in the country, if the government knows its business.

And here is another statement by Mr. Bennett dated July 13th, 1930:

> There was no need to call a conference to settle the unemployment problem; the solution to the problem is quite obvious. Is it work you want instead of conferences? You are going to get it! I do not want to get into power at the cost of broken promises.

The same words have been uttered by the present Prime Minister.

Here is another statement made by the same Mr. Bennett on June 25, 1930, at Woodstock. The present Prime Minister seems to have drawn inspiration from it.

> Promising that, if elected, he would immediately call a special session to put a stop to unemployment, Mr. Bennett stated: "During the special session, we plan to pass legislation to create jobs for our people."

And we are able to do so.

> On highways, on large canals and on our great seaways:

"Vision, vision, vision." And Mr. Bennett goes on:

> We must undertake great work projects such as branch lines or projects of that kind to provide jobs for our people.

One would think that those were the words of the present Prime Minister.

Mr. Speaker, I still have many quotations, but my time is running short. They are all equally amusing and they prove that the more the Tories change the more they remain the same.

Mr. Speaker, I come now to the Prime Minister's speech, in which he states that there is nothing he can do. Yet, he had promised work for everybody.

(Text):

"No one will suffer as long as I am Prime Minister".

(Translation):

He had also promised to build highways to the north, to venture on the discovery of the great north. That was the "vision" about which he said so much.

Mr. Speaker, we witness now the woeful failure, the fourth consecutive woeful failure of the Fleming-Diefenbaker budget.

The Conservative party has been in power three and a half years now and this is its fourth deficit. I remember last year hearing the Minister of Finance, rising and with his pleasant smile and his set teeth, as you know him, tell the house: Next year, at last, we shall have a budget surplus of $12 million, because we finally managed to get through the recession period and we are now entering upon the good Conservative days.

Mr. Speaker, the same Minister of Finance comes back this year, his teeth set even closer, and tells us: I am forced to confess now that the $12 million surplus I had forecast has now become a woeful $287 million deficit. This is the fourth consecutive deficit of a government that made so many promises.

In my opinion, Mr. Speaker, the public is becoming aware of those things.

Now, I should like to refer to another French Canadian minister, that is, the Associate Minister of National Defence (Mr. Sevigny). Oh. he left before his chief, that one. His chief started, the day before yesterday, by blaming the Liberals for his present misadventure, but the Associate Minister of National Defence beat him to it by a few days—which shows that they had conferred beforehand. That minister stated last Saturday, in the constituency of Laval, that if things went wrong, that if there was unemployment, that if the economy was unstable, it was the fault of those bad Liberals who had preceded such a good and competent Conservative government.

Well, Mr. Speaker, I would ask the hon. minister—and I regret he is not here at this time—whether the Royal Military College of St. John is now the responsibility of former governments or of this government. I would also ask him, before he goes about preaching across Canada that we, Liberals, made mistakes four years ago, to look into what goes on in his own department, in the province of Quebec where he lives, and in one of whose constituencies he represents in this house. I would suggest to him to ascertain what is going on at the Royal Military College of St. John where French Canadians who are registered for officers' courses find themselves in an unbearable situation because they cannot complete their courses there.

Further, I say to the Associate Minister of National Defence that, if we did not bother him too much when his last estimates were considered, it is because we pitied him; but I warn him right now to prepare himself for his next estimates, because he will have to reply to questions we will put to him in this house, and he will not be able to blame former administrations, because his own responsibility will then be under scrutiny.

And now, Mr. Speaker, I should like to say a word to another French-Canadian minister—

Mr. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker would the hon. member allow me a question?

Mr. Dupuis: With pleasure.

Mr. Martineau: Since the hon. member for St. Jean-Iberville-Napierville is talking about responsibility, would he mind referring to the responsibility shouldered by the premier of Quebec, the Hon. Mr. Lesage, with regard to the settlement of the unemployment problem?

Mr. Dupuis: Mr. Speaker, I have no time to talk about that right now, but if you want me to reply to that question, I shall do so, because it is very easy to reply to such an idiotic and inappropriate question.

The Hon. Jean Lesage, premier of Quebec, has inherited a financial situation—

Some hon. Members: Oh. oh.

Mr. Dupuis: So, the hon. members do not want me to reply—

Mr. Martineau: Answer the question.

Mr. Dupuis: Will you let me answer?

Some hon. Members: Yes, yes.

Mr. Dupuis: Hon. Jean Lesage has come into a deplorable legacy which looks like—

An hon. Member: The same as we have here in Ottawa.

Mr. Dupuis: Hon. Jean Lesage has come into a deplorable legacy which looks a lot like the financial situation we too can expect to inherit from this government when we take power.

An hon. Member: Tell them that the Lesage government is paying for a good part of those winter works.

Mr. Dupuis: They all know that the Quebec premier is paying 40 per cent of the cost of those winter works, compared to the Duplessis government which did not do a thing. They all know that, and it is because of that knowledge that they want to draw a red herring across the trail.

And now, Mr. Speaker, I wish to address myself to another of their idols, the Minister of Transport (Mr. Balcer). Let me say to him that when he will be sent to the four corners of the country by his chief, in an attempt to make the people believe that the Liberals are to blame for the present plight of the government, he will have to give accurate answers to the questions we shall put to him when his estimates are up for consideration, and he will not be able to clear himself of the charges brought against him.

Perhaps the Minister of Transport might then draw inspiration from the statements made by Mr. Bennett saying:

> If we come into power, we will undertake and complete the seaway project.

On the 23rd of June 1930, the Right Hon. Mr. Bennett stated in Brandon:

> We must develop our agriculture, our basic industry, and lower transportation costs by way of the St. Lawrence seaway.

That was a promise made by Mr. Bennett. We shall undertake the construction of the St. Lawrence seaway.

The St. Lawrence seaway was in fact built by a Liberal administration which thus kept a promise that Mr. Bennett did not care to keep.

Mr. Speaker, today, in our area, which includes part of the St. Jean-Iberville-Napierville electoral district and both the Brome-Missisquoi and the Chambly-Rouville districts, there are thousands and thousands of unemployed, and it is nevertheless a rich area and most certainly one that lends itself to further development.

The Minister of Transport who is from Quebec, should have endorsed—

An hon. Member: Say that to Mr. Lesage.

Mr, Dupuis: —the request from the chamber of commerce of Quebec asking for—

[Mr. Dupuis.]

(Text):

Mr. Grafftey: Mr. Speaker—

Mr. Dupuis: I heard enough from you last year.

(Translation):

Mr. Speaker, the Minister of Transport—

(Text):

Mr. Grafftey: Unemployment is down in Brome-Missisquoi compared with last year.

(Translation):

Mr. Dupuis: Mr. Speaker, I would ask that you kindly call to order those who are interrupting me.

Mr. Speaker, if the hon. member whose riding—but only for the time being—adjoins mine, wishes to ask me questions once I am finished, he knows very well that he may do so, and that his questions will never embarrass me.

Mr. Speaker, I am saying to the Minister of Transport that there is unemployment in our area. As a matter of fact, each winter, approximately 3,000 men register for unemployment benefits at the St. Jean office of the national unemployment service, while there were less than 800 under the Liberal government.

Mr. Fortin: There were the armed forces.

Mr. Dupuis: Everyone agrees, Mr. Speaker, that to help the area the deepening of the Richelieu river should be undertaken. This project was thoroughly examined by the chambers of commerce and recommended by them to the minister. He was even invited to go to a Montreal hotel and give a lecture on that vital subject. What did that French Canadian minister from Quebec do? He came and told the people present who had confidence in him: "Forget about the deepening of the Richelieu; it would not be a self-liquidating project for the government".

Since when, Mr. Speaker, is the government an organization which, before undertaking any project, will ask what immediate return it will get out of it? Is it not the duty of the government to get busy and take its responsibilities whenever an emergency prevails in an area and jeopardizes the economy? The government should say this: If the deepening of the Richelieu may result in industries settling along its shores, allowing the area to expand and to relieve the unemployment situation, then we shall promote such a project. If the government had wished to show some courage, that is what they should have said, but just like Mr. Bennett, Mr. Borden and the present Prime Minister, the Minister of Transport is not shouldering his responsibilities.

Before resuming my seat, I would say this to the Minister of Transport: Mr. Minister, we have not bothered you during the previous sessions because we meant to give you a chance to get used to present your estimates; but this year you will not be in a position to say in this house that governments of the past are to be blamed for not undertaking the deepening of the Richelieu, because both Mr. St. Laurent and Mr. Chevrier had stated that, as soon as the St. Lawrence seaway—a Liberal accomplishment—was completed, they would immediately consider the advisability of the Richelieu project. There have been many Liberal undertakings in this country, all of them successfully completed.

Mr. Speaker, we will have the Richelieu waterway. If it is not this year, it will be six months or a year after the present Prime Minister yields the reins of government, before it is too late.

Now, Mr. Speaker, as I have only four minutes left, I would like, before resuming my seat, to hearten my friends from the province of Quebec, whom I specially favour by asking: What have you done about your promises to do away with unemployment? Nothing. The difficulties you claimed you would solve in no time at all are increasing. The economic difficulties we are facing, you were to solve them, but they are increasing; the railway dispute that you were to settle was merely put off until May. And what about the appointment of an ambassador to the Vatican? All those things are summed up by your position with regard to the 1961 census. The flag, the national anthem, are discussed, but nothing is done about them. The matter of assistance to universities which you were to disapprove, you voted for it with a smile of satisfaction.

Mr. Speaker, if hon. friends on my left want evidence of what Quebec and the rest of the country feel about their promises they only have to recall the by-election in Labelle. The member for Labelle (Mr. Clermont), who sits on our side of the house, is a living example of the prevailing opinion.

Mr. Speaker, under the Diefenbaker administration everything is going wrong; everything is becoming worse. And about the name Diefenbaker, the prefix "Dief" announces stagnation; difficulty, different, differently, deformity and difficulty in getting re-elected the next time.

Mr. Louis Fortin (Montmagny-L'Islet): Will the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) allow a question? At the start the hon. member pointed out that one of two of the opposition members spoke of the census, which would give an average of 50 per cent. Now, there are two out of three, which gives us 25 per cent. The average was lowered when the hon. member spoke.

Mr. Dupuis: I find that this average of two out of three means 66⅔ per cent. If the hon. member did not go to school, it is his own loss.

Mr. Fortin: The hon. member spoke of the views expressed by the hon. Mr. St. Laurent. Now here is my question. Since the Leader of the Opposition did not express his opinion to us in his capacity as leader, I shall ask the hon. member if the views stated by Mr. St. Laurent are those of the Liberal party?

Mr. Dupuis: I am happy to say that the opinion of Mr. St. Laurent—you want to know if it concurs with the views of the Liberal party?

Mr. Fortin: Is there agreement between yourselves?

Mr. Dupuis: We do not share all the personal views of Mr. St. Laurent. Those he expressed as a private person are strictly his own. However, I maintain that Mr. St. Laurent assumed his responsibilities as prime minister, and that when he occupied that post he did better than the present Prime Minister who sticks his head in the sand in order not to see anything.

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I am sorry that the spoken language of the hon. member who just sat down was such that I did not quite grasp his meaning.

Mr. Dupuis: I will not allow myself to get caught in the trap he is laying.

Mr. Tremblay: This house will admit, however, that he has given us an excellent demonstration of what cheap theatricals probably were like at the time of the caveman. His loquacity is in strange contrast with the silence of his leader on this matter of the census. That is a question that I, for my part Mr. Speaker, would not hesitate to discuss in this house.

Mr. Dupuis: Do not discuss me.

Mr. Tremblay: Some moments ago, while the Leader of the Opposition was speaking, my friend from Joliette-L'Assomption-Montcalm (Mr. Pigeon) rose to ask him if the opinion expressed by Mr. St. Laurent concerning the census was that of the Liberal party.

I am amazed that the Leader of the Opposition found nothing else to say but this: "I will not answer that question."

Mr. Pigeon: He is afraid; he is a coward.

Mr. Tremblay: Under the circumstances and in view of the demagogy used once again by the Liberals, I find it enlightening that the Leader of the Opposition did not dare to assume his responsibilities and tell the Canadian population clearly what he, as leader of the Liberal party and Leader of the Opposition thinks of that census problem which is being dramatized.

I think this is an important problem. And if I have chosen to deal with it today in connection with the budget, it is because I meant to express my opinion on the matter.

The problem is an administrative one, which is both technical and scientific in nature. It is too bad that some people had to drag politics into it for reasons that are quite obvious from a partisan viewpoint.

Organizations for the preservation of French culture in Canada and a number of other societies for the promotion and defence of French culture in America have made representations to the government in an effort to have question 10 changed.

With your permission, Mr. Speaker, I should like to repeat what I said on another occasion on this matter. I told a newspaperman in reply to his questions that I was willing to work with French organizations and to do everything in my power to bring about the changes desired by those organizations.

I carefully studied the many suggestions made, one of which recommends that the term "Canadian" be stricken from the census form.

According to newspaper reports, that would still appear to be the opinion and desire of those French organizations. As far as I am concerned, I think that if that solution was to be reached, I should accept it, but in my opinion it would not solve the problem completely, because the whole census form, as pointed out by a newspaperman in the morning issue of *Le Devoir,* is wrong from a demographic viewpoint, since it leads to no conclusion of any scientific value.

I think that a special commission made up of capable demographers and statisticians should be set up for the purpose of reconsidering the whole problem from the start, reviewing all the census forms and reaching rational conclusions, so that proper authorities would get suggestions that would give the Canadian decennial census an unquestionable scientific value.

Mr. Speaker, having worked for many years among French organizations I know how important that census problem is to them. I know that they want the census clearly to show the extent of French culture in Canada. They want the census to determine the total number of the French Canadian group. They also want this census to show the trend in the development of the French Canadian group. I for one am willing to do everything possible so that their request is met and the census give the very results they expect.

Mr. Speaker, before passing to another subject, I should like once again to express my regrets of the fact that even in this house an attempt has been made to mess up that vital and important subject. I should like to express my regret, Mr. Speaker, of the fact that attempts are being made to play politics with this important question, and I deplore even more the fact that some people are taking this opportunity to criticize the intentions of the Conservative government, criitcism which can only result, Mr. Chairman, in impeding the national unity which we are striving for.

Mr. Grafftey: Divide and rule.

Mr. Tremblay: There has been an attempt to indict the intentions of the hon. Prime Minister. He has been charged with questionable intentions and just a few moments ago I heard the previous speaker direct cheap innuendoes at the Prime Minister of Canada.

An hon. Member: He is a boor.

Mr. Tremblay: Well, Mr. Chairman, I am proud to say in this house, before my colleagues of the Conservative party and before those members of the Liberal party who still have some self-respect and political honesty, that the Prime Minister of Canada has given to the whole Canadian nation unmistakable evidence of his sincerity, most obvious proofs that he had no other desire than—

Some hon. Members: Hear, hear.

Mr. Tremblay: —to promote Canadian unity.

Mr. Speaker, has there been a prime minister in Canada, before the present Prime Minister, who dared choose a French Canadian and a Catholic as Governor General of

this country? Was there ever a prime minister of Canada who had the courage to translate into action that section of our Canadian constitution which enables members of this house to speak in their own language? Is there a prime minister, Mr. Speaker, who has been a better ambassador of good will and national unity across the country than the present Prime Minister?

What a contrast between my leader's attitude, and that of his predecessor as the administrator of the affairs of this country, that man whose testimony was used a moment ago in order to better repudiate him and stab him in the back.

Never, Mr. Speaker, has the Prime Minister of today had the perfidy of saying one thing in one province and something else in another province. He never travelled across the western provinces, and the province of Ontario, stating: "You know, I am considered as being too sympathetic towards French Canadians." He never came round in the province of Quebec to say: "You know, in the other provinces, I am considered as not being very sympathetic towards the English speaking element in Canada." And that, Mr. Speaker, because the present Prime Minister follows a philosophy which, a long time ago, made short shrift of the tricks of that kind of electoral demagogy to which the previous speaker has again resorted in this house.

And I say that the Liberal members' approach at this time is but diversionary tactics. They have been in a position to appreciate the disastrous results of some resolutions of the Liberal congress, particularly in the field of education. They have realized that, already the people of Quebec were about to denounce the Quebec-Ottawa axis which Premier Jean Lesage is about to forge again. They have realized that the centralizing policy which originated with and was developed by the Liberal party, is about to be resumed, thanks to the complicity of the premier of Quebec. They have realized, Mr. Speaker, that the electoral impact of their recent congress is absolutely dangerous. They have realized, Mr. Speaker, that resolutions such as the ones they have adopted, declaring, first of all, that the federal government has a responsibility in the field of university education, cannot be accepted in the province of Quebec, because they are unacceptable and contrary to the Canadian constitution. That is why they are resorting today to diversionary tactics, in order to make us forget that they have taken a dangerous course. In the province of Quebec, the evil effects of that last congress will soon be felt.

Mr. Speaker, I have here an article which, I am sure, did not please the former member for Cornwall, the Quebec visitor, an article by Mr. Gerard Filion of *Le Devoir*, entitled:

Once a drunkard always a drunkard.

I quote from that article:

The Liberal party has just wound up an important meeting in Ottawa. It has drawn up a program which, obviously, will serve as the theme for the general elections of 1962. We find in it some good, less good, and definitely bad things. The resolution about education underlines the policy which it has never ceased to promote since the last war. It contains the most specific statements, not to say the most impudent on the matter. First of all, they state that "education is strictly a provincial responsibility". But right after that, they add that such jurisdiction is limited to primary education.

And the writer goes on to say:

And there is still more cause for wonder. One of the leaders of the Liberal party, Mr. Lionel Chevrier, and a member of parliament besides—

Yes indeed, Mr. Speaker.

—for a Quebec constituency, raked his mind to find some explanation. He referred to scholarships as a logical extension of family allowances. In that case, old age pensions could be mentioned in the same breath. Why not make both ends meet by setting up an assistance program under which family allowances would stop when old age pensions begin?

I proceed with the quotation:

After delivering such nonsense, Mr. Chevrier states from the heart:—

As he often does in this house.

—Never would a Liberal government in Ottawa interfere directly or indirectly in this field which, as I said, comes exclusively within provincial jurisdiction.

This is how those people make light of specific sections of our Canadian constitution and, above all, how they come to the rescue of the merchant of dreams that the Quebec premier showed himself to be by launching not so long ago an extravagant assistance program for education for which he must now seek support from his former Ottawa colleagues.

I said earlier that the Quebec-Ottawa axis was being set up again on the basis of an efficient and practical centralization. Just as under the former Godbout government, that axis is being re-established because the province of Quebec is headed by a political leader who is of the same stamp and shares the same views and the same political and constitutional ideology as the Liberals here

in this house, who last year left no doubt as to their centralizing constitutional philosophy during the debate on university grants.

Last year, the Conservative party settled an extremely delicate situation created by the Liberals. At that time, Mr. Speaker, we found a solution that did justice to the province of Quebec. But I hope, as I said then, that such a solution is only the first step toward a final settlement through which the provinces will be allowed from now on to exercise their full jurisdiction in the field of education.

Mr. Speaker, the recent Liberal convention tried to give a new lease on life to the Liberal party. The sittings of this congress were unusually advertised in an effort to prove that the party had changed. Well, Mr. Speaker, the Liberal party today is still exactly what it was in 1957 when the people lost faith in it. This party, Mr. Speaker, is the centralizing party which was defeated in Quebec in 1957 and again in 1958.

Mr. Deschatelets: We won in Labelle.

Mr. Grafftey: It was a by-election.

Mr. Tremblay: A moment ago, the census was mentioned and forgive me for coming back to it, it was said that if the Conservative government were to accept certain proposals it would eventually amount to a retreat.

Mr. Speaker, should the Conservative government accept the proposals put forward by French-Canadian associations, not only would it not retreat but it would once again show the people that it is a democratic government, a government of the people for the people, a government which has been able once more to take into consideration the representations made to it. A democratic government, Mr. Speaker, is elected by the people and as such must take the wishes of the people into consideration. In accepting the proposals submitted to it by its citizens, the government does nothing but show that it respects our democratic institutions and that it intends for them to be respected.

Whatever they say or do, our colleagues from the Liberal party will never succeed in making the least change in the policies they have advocated and which repeat word for word the ones put before the nation in 1958 by the Leader of the Opposition. That program was rejected by the nation in a resounding way and that is why we on this side are here in such great numbers.

[Mr. Tremblay.]

I feel, Mr. Speaker, that a political party is a free association of free men. I have always been free in my party to say what I wanted to. And if today, I took the liberty to say openly what I felt about that question of the census, it was because I knew that no one in my party, not even the Prime Minister, would blame me. However I have noticed how a member of the Liberal party had humiliated the former prime minister of Canada by rejecting—

An hon. Member: Never.

Mr. Tremblay: By declaring, Mr. Speaker—

Mr. Dupuis: To whom are you referring?

Mr. Tremblay: —that the former prime minister was no longer expressing the Liberal party philosophy. If that is the case, why then did they drag him on the hustings during their recent rally.

An hon. Member: Only that?

Mr. Tremblay: Their aim once more, Mr. Speaker, was to try and use demagogy in—

Mr. Dupuis: In the Pigeon way.

Mr. Tremblay: —the province of Quebec, and then to repudiate later on their actions and their words in the other provinces.

Mr. Speaker, I do not wish to go on. I would have liked however to talk about some of the features of the budget presented by the Minister of Finance (Mr. Fleming). I will only say in concluding that the Minister of Finance has found a perfectly constitutional means of helping education in the province of Quebec by allowing certain tax deductions for university students.

Mr. Speaker, this is a constitutional measure. It indicates a political evolution towards a solution which will definitely settle the thorny problem of aid to education that is once more jeopardized by the Liberal party.

In conclusion, Mr. Speaker, allow me to express the wish that the problems we now face will be solved to the satisfaction of all, and above all that the solution will contribute to national unity.

I believe in national unity because I belong to a racial group which has perhaps paid a higher price than others for the privilege of free expression in the Canadian confederation.

Because I was young and trusted those dynamic men who once in a while offer

themselves to the nation to realize great projects, I believed that the Prime Minister of Canada was the man who would enable us to make great strides towards national unity, which is the aim we all want to attain, and I do not intend now, Mr. Speaker, to withdraw the confidence I placed in him.

(Text):

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, because this debate permits a rather unusual latitude, I had hoped to use most of the half hour to make some comments on the official opposition, the Liberal party, its leader, and the party image, real or fancied. Unfortunately, I outsmarted myself in finding a spot on the debate roster, and I have not enough time to do the job properly. I can only promise the members I shall try to carry on later and complete the job at a proper time in the house.

First, however, I should like to note that a previous member for Port Arthur, the Right Hon. C. D. Howe, died as last year ended. The normal eulogies and services have taken place, and perhaps it may seem superfluous or impertinent for me to comment now. However, C. D., as he was known in Port Arthur and beyond, was, and perhaps justifiably so, considered the greatest person our community has put on the Canadian public stage. I say "perhaps", not niggling, because another former M.P., for our area, who has tended to be very much admired by many people, was a great Canadian and was also an engineer. I refer to Mr. S. J. Dawson who built the famous Dawson trail westward and opened up the west in a way that set a tradition for Mr. Howe. In any case, the name of Dawson appears in Canadian history books as a pioneer developer. I think it likely that Mr. Howe's name will also do so.

If that seems over-cautious, you should check your history text and find out little attention has been paid to other great nation builders of the past. One might hazard that Mr. Howe's place in history books a half century from now will be secured by two things, namely his role in the political controversy of the pipe line debate and the subsequent electoral upheaval and by his creation of quasi-socialistic entities such as T.C.A. and Polymer Corporation. There may be an irony and a lesson in this because C. D. was thought of as a rugged individualist rather than a creeping socialist and also because the incidents that destroy an administration linger longer in memory than do its achievements.

By most people in the lakehead Mr. Howe was immensely respected, although I think it would be a fair generalization to say that he was not generally beloved. His integrity as a powerful minister in relation to his community was a model. There were never stories of graft or personal interference in the handing out of jobs as far as Mr. Howe was concerned. Mr. Howe was a grand loser as a politician defeated in his own constituency. I met him a few minutes after he had conceded defeat. His manner was brusque, but not because he was downcast or hurt but because he was already restless to get on to something else. His comment to me was "Young man, young man, there are so many things I want to do; we're really going to enjoy ourselves". I think he meant by that he and his wife. One felt that the whole future was ahead of him.

That aspect of purposefulness, the refusal to be petty or morose were fine characteristics of Port Arthur's most famous citizen. His memory as a member and as a man will last there for a long long time. The historians and the economists will in time set out his national significance. I felt it incumbent upon me, with respect to this famous member for Port Arthur, to give that analysis and to pay that tribute.

The second topic I wish to touch on briefly relates to my constituency, the pre-Christmas legislative program and the baby budget. In an area where unemployment is high, there was interest and approval for several items enacted, particularly loans to small businesses, the vocational training program and the subsidies for municipal sewage projects. I found in the recess that this approval was tentative because the effectiveness remains to be seen. The budget has made little impact of a positive kind, in my opinion, because it has so little direct bearing on the average taxpayer personally. In a sense it seems to have been taken by my constituents as a mysterious exercise in monetary and fiscal policy which will be judged not even on results but on what more concrete steps may be taken in the spring regular budget.

The third point upon which I wish to touch relates to the census of 1961 which has developed somewhat of an issue, as witness the motion unanimously adopted in the Quebec provincial legislature protesting the federal government's acceptance of the word "Canadian" as an answer to a census question on ethnic origin. The assembly is to

forward a message to Ottawa asking that "Canadian" and "American" be deleted from the printed list of possible ethnic origins on the next census forms.

We will hope that some accommodation can be made to French-Canadian wishes to have statistical information on their particular language and cultural group. However, I hope the government appreciates the fact that many Canadians think of themselves as Canadians rather than as members of some ethnic group of hyphenated Canadian. In my own case, I happen to be a fifth generation Canadian. Probably my paternal ancestors came from England but if you came to figure out my ethnic nationality, what is it? What about the Irish, Scotch, Pennsylvania Dutch or any of these others that entered the strain? I would have a hard time in determining it.

To take my own constituency as an example, I may say that it is a real swirl of national backgrounds if you were going to carry the matter back and examine each citizen's antecedents. In one class a few years ago I happened to make this check. I had children whose paternal line apparently or actually—apparently as far as they knew—was linked with Ukrainia, Finland, Poland, Italy, Norway, Sweden, Denmark, Estonia, Latvia, Hungary, Serbia, Macedonia, France, Russia and the British Isles. What were they, even for statistical purposes or any other real purpose, but Canadians? I believe it is right that people like that should have the right to consider themselves as Canadians, simply as Canadians to declare or to register as such. I hope that point of view can be confirmed in the arrangement or in the change that may be made in order to accommodate this kind of protest that has come from the province of Quebec.

It is not in the same way that the governor of Alabama said, "Some of my best friends are niggers", that I say that some of my best friends are Liberals. It is not in that way at all. I was brought up in a Liberal family; I have voted for Liberal candidates; I have run errands as a boy for Liberals during elections; and I am sure some of my closest relations still vote Liberal. I took a full year at university studying Liberalism in its Canadian context. The biggest files I have in my filing cabinet relate to Liberalism and the Liberal party. It is with that intense interest that I should like to move on to an analysis of the Liberal party, especially in the light of the rally it has just had.

[Mr. Fisher.]

The Liberal party has not had too many rallies but I would suggest to the majority of the members of the house who are Conservative that they should go back and take a look at the previous records of such rallies which took place in 1893, 1918, 1948. There was a smaller convocation in 1943 that might be considered a rally and there was one in 1958. I think the Liberal rally of 1961 was a most important political event. I do not downgrade it at all. Political rallies are going to become more and more important in our democratic process. I think one of the reasons—and I will say this offhand—is that people notice their circus aspects possibly more than they do the traditional development of party position each day in the House of Commons.

This rally was an important event. It would seem to have confirmed the party leadership and made partial steps at least to a new party platform. One of the things it did was the bringing of several thousand Liberals from across the country to engage in open discussion. A sizeable achievement. I cannot comprehend the pundits amongst the Liberals or the press who have said they felt there were some risks in these open discussions. Surely the process of democracy is always risky, being in the open, but that is what the party should be doing, namely democratically discussing things out in the open. I would be shocked if at the convention that our group is going to enter into this August the discussions of policy were not out in the open. I would be surprised if the Conservative party rally in March holds its discussions in secret. It seems to me that the rally, in this sense of bringing people together for the exchange of ideas was a success for the Liberals and should be so recognized. I am delighted, of course, that it means that their organization is going to be strong and they are going to be able to go out to the hustings with a better organization and bags of money. I was elected in a good tight three-way fight and I think most members will be elected in the coming election in a three-way fight. We want the Liberals to have some strength for such battles.

At this point I should like to ask this question. What have the Liberals? They are a party that has a tradition of power in the country. A great many families pass it on from father to son. These loyalties endure for a time. That is one of the reasons why they will continue to have across the country a modicum of support. That support is no longer as important as it was, but it is important.

They have a great deal of strength in the province of Quebec, and it is very apparent

from the Liberal administration there now that Quebec is still in that tradition which dates back to Riel, was buttressed by the conscription issue in the first world war and follows on to the present day. So many members of the Liberal party in this house are from Quebec, a further indication of continuing strength there.

Another source of Liberal strength, in our part of the country at least, is among those immigrants who came into Canada from 1896 to the first world war, and their descendants —I do not mean the French Canadian—and these immigrant groups, were exclusively Liberal or have so continued, but these, plus those Irish-Catholic grouping have kept the Liberal tradition very strong. Their thinking and feeling—except for those who may have become radicals—is perhaps the greatest Liberal asset. Another is that, until recently it has been the party in power and there is the fresh memory of jobs, emoluments and money that have been handed out. Many of the lawyers in our community are still staunchly Liberal, still hoping, I think that they will be handling C.M.H.C. mortgages again, will be considered for judgeships, and so on.

I know many of the intellectuals, the academic people in the universities fairly well. Many of them are continuing Liberals because they were consulted and had jobs from the Liberals, a practice so well-instituted by Mackenzie King.

Mr. Speaker: Order. It being 4.45 o'clock p.m. it is my duty, pursuant to section 5 of standing order 58, as provisionally amended, to interrupt these proceedings and put forthwith the question on the amendment now before the house.

The house divided on the amendment (Mr. Benidickson) which was negatived on the following division:

Division

YEAS

Messrs:

Argue
Badanai
Batten
Benidickson
Bourque
Cardin
Caron
Carter
Chevrier
Clermont
Denis
Deschatelets
Dumas
Dupuis
Eudes
Fisher
Granger
Habel
Hardie
Herridge
Howard
Leduc
Lessard
Loiselle
Macnaughton
McIlraith
McWilliam
Martin (Timmins)
Michaud
Pearson
Peters
Regier
Richard (Ottawa East)
Tardif
Tucker
Winch—36.

NAYS

Messrs:

Aiken
Aitken, Miss
Anderson
Balcer
Baldwin
Barrington
Baskin
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bissonnette
Bourbonnais
Bourdages
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Casselman, Mrs.
Charlton
Chown
Clancy
Coates
Comtois
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Dorion
Doucett
Drysdale
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Forbes
Fortin
Frechette
Fulton
Gillet
Grafftey
Green
Grenier
Grills
Gundlock
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jones
Jorgenson
Jung
Kennedy
Kindt
Korchinski
Kucherepa
Lambert
LaRue
Legere
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLellan
Macquarrie
MacRae
McBain
McFarlane
McGrath
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martel
Martineau
Matthews
Milligan
Monteith (Perth)
Montgomery
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Pascoe
Payne
Phillips
Pigeon
Rapp
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rowe
Sevigny
Simpson
Skoreyko
Smith (Calgary South)
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Speakman
Starr
Stearns
Stefanson
Stewart
Tassé
Thomas
Thrasher
Tremblay
Villeneuve
Walker
Webb
Weichel
White
Winkler—145.

Canada Elections Act

CANADA ELECTIONS ACT

AMENDMENT TO PROHIBIT PUBLICATION OF STRAW POLL RESULTS

Mr. Arnold Peters (Timiskaming) moved the second reading of Bill No. C-13, to amend the Canada Elections Act, (publication of straw poll results).

He said: Mr. Speaker, this bill is not new; it has been discussed in the house over a period of time. Its purpose is to prevent the publication of the results of straw polls conducted after the issuance of a writ for an election. Some provinces, notably British Columbia, for many years have had on their statutes legislation which prohibits the publication of the results of straw polls. British Columbia has found that this has produced no hardship and has left the people of that province free from the erroneous results which sometimes flow from opinion polls conducted to ascertain what the wishes of the people are going to be at election time.

One of the good things that flow from polls conducted for election purposes is that eventually the people themselves do have some say as to whether the poll is right or not and they do settle this problem. It is unlike some of the results of opinion polls which are conducted in the commercial sphere, where people never have the opportunity of deciding whether they as the majority wanted whatever the opinion poll suggested they wanted and got. While there is this final answer, the answer that will be given on election day, it seems to me that for a number of reasons the influences that are afforded by various media of publication can be misdirected during an election period.

The main discussions that have taken place in this country and in other countries in recent years concern the election between Mr. Dewey and Mr. Truman in which all the opinion polls, not only the opinion polls as we hold them in Canada but polls that were conducted among various news commentators, radio people, television commentators and others, indicated overwhelmingly the election of Mr. Dewey. Since that time a great deal of study has taken place into why the results of the opinion pollsters—all of them, of course supporting Mr. Dewey—should have been so overwhelmingly in error, and why those opinion pollsters should have been taken in by the pseudo scientific polls that took place.

When we had this bill before us the last time I was very interested in the discussion by members of the government and their defence of the newspaper industry and why they considered this to be placing a limit on the freedom of the press. Since that time I have taken upon myself the duty of examining into how opinion polls are formed. I have read some of the discussions that have taken place between pollsters and commentators with respect to the disreputable position in which they found themselves by having put forth pseudo scientific information which they later found to be no real information at all.

If any hon. member wishes to read the explanatory notes of the bill he will see that some of the things I was accused of wanting to accomplish by the introduction of this bill were just not so at all. I have no objection to the taking of polls on elections because, as I have said, the final decision rests with the voters, and we can check the pseudo scientific examination made by the pollsters against the actual record that is available after the election has taken place. Therefore, we have no objection to the polls being conducted, but we do have objection to the results of those polls being published.

This raises the question of why we should be opposed to anything which indicates that the voters are all going to vote for one particular party, or 41 per cent of the voters are going to vote one way and 43 per cent another way, and 16 per cent are going to vote in a still different way. Why should we object to this? I hasten to suggest that we have no objection to this; but if we are to form an opinion on opinion polls and the results of those polls, then we must ascertain for ourselves—and the press has an obligation to assess for us the honesty and the integrity of the people taking the polls—how accurate those polls are. When we are told that the people are going to vote one particular way, then we should be told how the pollsters know they are going to vote that way, what questions were asked, how much of the general public was sampled, in what areas the sampling took place, how general it was and what was the multiplication factor that applied to all the people of Canada, or to whatever country the polls happened to be taken in.

In the recent election in the United States—and it is too recent for us to find out what was the actual error in the so-called scientific polls—according to some of the articles I read, there was a difference of opinion, or an indication of a difference of opinion, among the voters of over 3 per cent.

As we know, in the recent election in the United States there was a difference of much less than 1 per cent in the results of the vote. Therefore, it is quite possible, although I am not suggesting this was the case, that those voters represented by the over 3 per cent could have been influenced when it came to casting their votes in the United States election.

I have here volume 80 of *American Mercury* for 1955 and I should like to refer to

an interesting article on page 134 by Joan Tara. It is headed "Can You Trust Opinion Research Polls?" She gives some consideration to this matter. She points out that opinion pollsters are always highly educated and that she and most of her fellow workers were educated in the academic sense. She herself has a bachelor of arts degree and I believe that of all those whom she knew only one had specialized in statistics. She says that she studied under a professor who scarcely knew what he was talking about and consequently she says that she knows even less. She goes on to say:

> I suppose you are curious to learn the inner workings of a poll. It is a very curious business. The most spectacular polls are of a political nature. What percentage of the adult American population wants to throw brickbats at Senator Bosh this week as compared to last week? How many farmers favour the price of putty in New Zealand as compared to the price of coals in Newcastle? These are the opinion findings that make front page (second section of your newspaper) headlines.

Then she goes on to talk about the bread and butter polls in industry. She points out some very interesting facts. I do not want to read everything she says but if anybody is interested I would recommend that he read this article. On page 135 she goes on to say:

> How does the pollster go about prying the answers loose from the great American public? First of all, he and his hired experts hammer out the list of questions which they believe will best elicit the required information. Armed with these preliminary questionnaires, the experts approach the man in the street. Sometimes the client prefers or needs, instead, the opinion of the man behind the plow, the man in the factory, or the man who owns a $15,000 ranch type house in the suburbs. If so, the experts get 100 questionnaires answered. This is called a sampling. From this sampling flows all the rest.

This is the interesting part as to how they arrive at the sample.

> Back in the office, with its imposing views of the New York harbour, east and west, the experts study the questionnaires, smooth out the kinds, clarify questions that are too vague, misleading or unprofitable information-wise. They then compose a list of questions as near ideal as possible. Meanwhile, the official statisticians break down the answers from the sampling into categories, and the categories into percentages based on 100.

She uses an example of polls with regard to commercial activities and points out that once these are made the real pollsters go to work. They go out and ask questions of people across the country in more or less minute numbers and these samplings are returned to the office. On the wall before them always is the indication of the answers of 100 American people, so many having answered this way and so many that way and no matter how vague the answer appears to be it must fit into that pattern. When they arrive at the total, those that do not fit into that pattern are considered to be too vague to be of any importance to the poll and are discarded.

It is her contention that when the results of the poll are arrived at they are never more than 1 or 2 per cent out from the original sample because they have been tailored to fit into the sample which is always before the people who are compiling the statistics. She points out that the people compiling the statistics are also well educated in the same way she was and therefore she places no reliance on the results of these polls. She ends her article by saying:

> It is time the nation's economic mills cease to depend upon largely imaginary figures to tell it what and what not to produce. It's time to put quality ahead of quantity. Either you have faith in your ability to produce the best possible mousetrap, faith in your own integrity to give the best you are capable of creating to the public, or you are cheating. Statistics mean nothing.

These words, of course, can easily be applied to politics and it is here that we do not agree with many of the people who spoke against the bill the last time it was before the house. We believe in the integrity and the intelligence of the man in the street. We know that if he is given the opportunity to decide for himself he will make a decision according to his own likes and as he sees the question. We think this is the way it should be done.

In the last year or so reference has been made in the House of Commons to an instance where the head of one of the largest polls in Canada was also engaged in other activities and was the head of another organization which certainly allowed no opinion to be expressed but decided itself what the view of the public should be on the matter. I refer, of course, to the trading stamp issue that came before parliament in several forms last year. These are the type of people whose integrity has already been questioned and is doubtful, people who are mainly concerned with such things as selling automobiles, ties, new hats and other things of a commercial nature.

I think that the people of Canada are entitled not to be confused as they are in the commercial field by high pressure gimmicks of one type or another used by high pressure pollsters but rather are entitled to all the facts and to make their own decision on those facts. I suggest that many occasions will arise, as happened in the United States particularly in the election contest between Truman and Dewey, when you will find a great deal of influence exerted. We will never know in that particular case how much influence was exerted by the newspapers through their adherence to polls of various kinds and the

views of commentators who conducted other polls of a different nature. We will never know how much influence that had on the people and what the results of that election might otherwise have been.

All we are suggesting is that we do as British Columbia has done with no particularly bad effects, prohibit the publication of the results of these polls prior to election day so that the people themselves can vote with all the facts before them and without undue influence being exerted on them through being told that 1,217,000 people are going to vote for John Doe's party on election day and so many other people are going to vote for somebody else.

It is impossible for these pollsters to say this, Mr. Speaker. They never at any time take a poll of that number of people. They are estimating that according to the sampling they have taken this is the number of people who may vote in a certain way and their estimate is based on the questions they have put to these people. They are giving the people a false impression. They do not say how many people have been questioned. They are saying that this is the percentage of the whole. They may have sampled only a very minute part of the whole.

So, Mr. Speaker, I think it would be advantageous to the freedom of the press if they curtailed their activities in this field. If they use the Gallup, or other national polls, then by all means they should tell the people after the election, we conducted a poll at such and such a time and this was the result. This was the question asked and this was the result as we projected it into the national total. This is the indication that we received. If they do this, and if their statement proves to be relatively correct, then I think they will reap benefits in the future from any predictions they may make in other fields. I believe if this course was followed the public will give much more consideration to these polls than they are going to give if mistakes of the nature to which I have referred are allowed to continue.

In closing, I should say that I believe the Canadian people are democratic enough, are smart enough and have the integrity to assess all the facts, without the necessity of pollsters giving them false impressions. The people are able to assess the facts and make their own decision without undue pressure from these statisticians.

Mr. Baldwin: May I ask the hon. member a question? Is there any particular reason why the bill makes reference to a company, person or corporation in any province but does not refer to the two territories, each of which returns a member to this house, the Yukon Territory and the territory of Mackenzie. Is there any particular reason why that is so?

Mr. Peters: It was my understanding that, in the legal sense of the term, they are considered to be provinces under the Canada Elections Act. However, if the hon. member wishes to make this amendment and include them, I would be very pleased to accept it.

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, yesterday we had before us what was described as a perennial bill. Although it did not come to a vote because of the number of members who wished to speak on it, the bill had a very commendable purpose, namely the limiting of interest. Today we have before us what could be described also as a perennial C.C.F. bill. The purpose of this bill is not so commendable, although its passage would also limit interest. Bill No. C-13 would limit interest in elections, and along with this limitation of interest it would also have the effect of reducing public information.

The mover of this bill made his purpose very clear. He said he wanted to make sure that people were not taken in by the public polls. He believes that the polls are taken to fit a certain pattern. High pressure pollsters was the way he described those who conduct these polls. He also makes his purpose, and I imagine it is the agreed purpose of the C.C.F. group of eight in this house, very clear in the wording of his bill. The bill reads in part as follows:

> No person, company or corporation shall, in any province after the issue of the writ for an election, or after the dissolution of parliament or the occurrence of a vacancy in consequence of which a writ for an election is eventually issued, and before the hour of closing of the polls in such province, publish the result or purported result of a straw vote or poll of the political opinions of the electors or any of them in any electoral district or districts in Canada,—

He also makes his purpose even clearer in the explanatory note, which reads:

> The purpose of this amendment is to prohibit, and to make punishable as an illegal practice, the publication in any manner before election day of the results of a straw vote or poll of the political opinions of the electors. The proposed amendment does not prohibit the taking of such a poll for private purposes.

Let us look at this explanatory note a little closer.

> The purpose of this amendment is to prohibit, and to make punishable as an illegal practice, the publication in any manner before election day of the results of a straw vote or poll of the political opinions of the electors.

Then, there is the usual C.C.F. joker.

> The proposed amendment does not prohibit the taking of such a poll for private purposes.

In other words, a political party can take its own straw vote and make use of it for its own private purposes. Coming from Saskatchewan and knowing the tremendous publicity organization of the C.C.F. out there, I can see that party taking advantage of privately conducted polls and broadcasting favourable comments only all across the country. It would be a case of, we want to tell you only what we want you to know and only what is in our favour. I do not believe such high-handed information censorship is in keeping with our system of free expression of opinion in a free democracy. I am sure that there are few in this house who would be party to instituting such a flagrant attempt at controlling press, radio and T.V. coverage during an election campaign.

I know the press, radio and T.V. of Canada can very well present their own defence against this attempt of at least some form of censorship, and they need no champion of their cause. However, as a former newspaperman I should like to make a few comments with regard to the freedom of the press, one of the main bulwarks of our way of life. I certainly do not agree with everything that appears in our press or everything that comes over our radio or T.V. In fact, I disagree most forcibly with many of the comments by the columnists. I do not agree, for instance, with the latest Gallup poll results because I have just returned from the prairies. I know from personal observation and personal contacts that the government's popularity in the west is much higher than the latest published poll would indicate.

Mr. Howard: That is why you ran last in Medicine Hat.

Mr. Pascoe: I repeat, I find myself in disagreement with a lot of the writing from the press gallery and a lot of other newspaper stories. Perhaps I am a little closer to the actual facts than they are and know how the stories might better be written. Although I disagree with the latest Gallup poll results, I will not agree that these forms of expression of public opinion should be abolished.

We had this same attempt at censorship from the same member in 1959. The *Hansard* report of that debate makes interesting reading. On page 2897 of *Hansard* for April 21, 1959, the sponsor of this bill said:

> For some odd reason, possibly a quirk of the Canadian mind, quite often our people have a tendency to accept these polls and decide that they have to vote in an election for the party that is going to win.

What a concept of the Canadian mind. What a concept of the Canadian people. In the opinion of the sponsor of this bill, the voters in our country cannot be trusted to make up their own minds and are waiting to be spoonfed with someone else's opinions before they can cast their votes. I do not think the Canadian people will welcome this assessment of their intelligence and common sense.

Public opinion polls are part of our election campaigns. These polls are conducted in other countries, that is to say in other free countries. They are not conducted in the U.S.S.R. or in soviet dominated satellites. Communist leaders will not tolerate such expressions of public opinion there.

Another interesting suggestion arises from the statement of this bill's sponsor that a Gallup poll might cause the Canadian people to decide they have to vote in an election for the party that is going to win. Coupled with this remark the move to prevent publications of Gallup polls is an admission that the sponsor's party is not going to win. This, it would appear, is the main reason for the bill before us.

I referred earlier to the freedom of the press. On other occasions in this house I have referred to this freedom which, as we all know, carries with it responsibilities of fair and accurate reporting. I do not need to elaborate on this matter because these facts were all brought out during the debate on the bill of rights.

In conclusion, Mr. Speaker, may I say that I am opposed to this bill. I am opposed to the expressed purpose as stated by the sponsor.

I would hope that this bill would come to a vote because I want to vote against it. I know, however, that others will wish to express their opinions and I am sure the whole hour will be taken up in these expressions of views.

Miss Margaret Aitken (York-Humber): Mr. Speaker, every year the socialists keep bringing in this bill to prohibit the sampling of public opinion just before elections and I can never understand why they do so. This is legislation against freedom of speech and freedom of the printed word. It is a direct contravening of the bill of rights. If a government banned the printing of election polls, would the next step be the banning of opinions of editorial writers or columnists or by radio and television commentators?

I suppose a time comes to all of us in public life when we do not like what the polls tell us. We look upon polls then with scorn because the opinion disclosed is not our opinion. The time has certainly come many times when the C.C.F. party has had a right to be scornful about polls on that basis, but that is certainly no reason to legislate against

them. In fact, Mr. Speaker, I believe that the hon. member for Timiskaming (Mr. Peters) is insulting the Canadian people every time he brings this bill before the house. He is in effect saying that the Canadian people have no individual convictions and that they follow the majority blindly. He is saying that the Canadian people are a lot of sheep. He is exposing a personal superiority over the elector that does not become him.

Public opinion polls have been functioning around this world for 25 years and I think we would be a laughing stock in Britain, France and India if we suddenly decided that our people were so much influenced that public opinion polls were a menace.

There is now an international association of public opinion institutes which can and does poll 17 or more countries within 72 hours. The idea is that if a world-wide crisis develops an almost immediate reaction can be obtained. I think this international polling association was used during the Suez crisis. Dr. George Gallup of the United States was the founder of this international organization and in a speech he made last year he said this:

> It takes courage, as well as ability, to stand up and be counted. The awful drubbing we pollsters received in this country—

He meant the United States.

> —in 1948 is ample proof of this. Therefore,—

Dr. Gallup concluded.

> —we salute those hardy souls who are willing to stake their reputation in this toughest of all fields of research, the prediction of human behaviour.

Incidentally, may I say that the hon. member for Timiskaming mentioned a figure of 3 per cent in speaking of the margin of error in the last United States election. I think it is much closer to .03 per cent. The margin of error was less than 1 per cent. This prediction of human behaviour is, I believe, big news especially around the time of an election. Hence the hon. member for Timiskaming is asking this government to legislate against the circulation of specific news.

I noticed that the hon. member kept throwing out innuendos about the integrity of polls and the objectivity of polls. I can only say that the polls, whether they be political or commercial, always have to prove themselves. If they are consistently wrong, no one will believe in them. As for objectivity, may I say that this is done all over the world. Anything of current interest—that is news, whether it is controversial or otherwise—must find its place in every worth-while poll. In our personal election campaigns we all conduct straw polls. Would this bill make it

illegal for us to mention our findings from a platform and thence to the press?

The hon. member for Saint Antoine-Westmount (Mr. Webster) asked that question when we debated a similar bill in 1959. He asked: Are we to make this a crime? Are we to make it unlawful to mention from a platform predictions regarding our own election?

I know that most Toronto newspapers before an election send reporters right across the country with instructions to find out what people are thinking and how they are going to vote. These findings are always published in the newspapers before an election. Is this legitimate news gathering assignment also to become illegal? Indeed, Mr. Speaker, what people think and what people do are the two most important areas of news all over the world. Even to contemplate legislation against these facets of news is not only nonsense but dangerous nonsense.

As I said the last time we debated this subject, the mere introduction of this kind of bill by the socialists is a warning to the Canadian people. If this is what socialism would do if it should ever gain power, I say this: Let us be warned and see that socialism does not gain power.

This bill is definitely an infringement of freedom. It is a demonstration of gross arrogance in which the elected representatives would be saying to the Canadian people: You are so stupid that we must save you from yourselves and not let you know what your fellow Canadians are thinking.

The hon. member for Timiskaming, as reported at page 2898 of *Hansard* of April 21, 1959, said that publication of polls during an election:

> —is eliminating one of the basic rights which the people possess—the right of choice.

If that is not an insult to the Canadian people, I do not know what is. He is saying that the elector is incapable of making up his own mind and that the thinking of others should not be published because then everyone would think the same way. I have a healthier respect than that for the elector's capacity to think for himself, and I shall certainly vote against this bill.

Mr. Peters: Mr. Speaker, the hon. member has suggested that the passing of this bill would be contrary to some of the rights set out in the bill of rights. In view of that I was wondering if she does not feel that she has an obligation to ask the Minister of Justice (Mr. Fulton) whether this is an infringement against the bill of rights and the legislation that has been in effect over the

last 20 years in the province of British Columbia which enacts what we are asking to be enacted nationally.

Miss Aitken: I do not know anything about British Columbia; I have enough to do here. But I do say that I do not think I should ask the Minister of Justice, because I believe it is an infringement against the bill of rights in the freedom of the press clause.

Mr. Frank Howard (Skeena): Mr. Speaker, may I suggest that the hon. member who has just resumed her seat, by her own admission says she does not know much about British Columbia, and I am sure that British Columbians throughout the province would be quite pleased to have her visit the province at any time. We would benefit by that visit and I am sure the hon. member would also.

Miss Aitken: Mr. Speaker, may I just say that when I said I did not know much about British Columbia I was referring to her laws, not to her beauties.

Mr. Howard: I am quite sure from that statement that the hon. member realizes it is the most beautiful province in our nation.

I listened very carefully to what the hon. member who has just concluded her remarks said about this bill, and I think it is extremely unfortunate that the two members who have spoken had to resort to innuendo type accusations about the motives of the hon. member for Timiskaming (Mr. Peters) who introduced this bill.

There was the insinuation that it represented some desire to restrict the freedom of the press, to control people and to rigidly dominate them in some fascist type of way. This is, of course, just puerile silliness on the part of hon. members who use this type of argument which they know themselves is not valid. It is only designed to take up a bit of time so that we might not have to vote on this particular issue.

I can understand the views of the hon. member who just resumed her seat on this matter of public opinion polls and people who conduct public opinion polls, because of her very gentle affection and close relationship to an individual in Canada who participates in conducting this type of poll and who rigged a particular question at a poll in order to produce a particular answer and misinterpreted the results in order to prove a particular point. This was a misuse of a public opinion poll on the trading stamp issue, so I can understand what the hon. member says because of the gentle relationship which exists between her and this individual. I can understand that the hon. member would want to protect this sort of activity.

I do not know whether or not they realize it, but I also understood both hon. members who spoke to condemn themselves quite roundly for doing precisely the same sort of thing that they now accuse my hon. friend for Timiskaming of trying to do. I will use their words. I think they are the wrong words to use, but these hon. members used them in this application and so I will use them also.

During the last session both of them supported wholeheartedly the idea of the restriction of people's rights, the idea of restricting the freedom of the press, the idea of rigidly controlling when particular radio broadcasts should be made when it came to election results. If one looked at the Elections Act, which we reviewed and revised and spent many hours on in the privileges and elections committee, and if he looks at the revisions we made—some changes were necessary because some things had not been changed for years—he would find, for instance, if I may use this as an example, that on election day it is completely contrary to the Elections Act to broadcast the results of an election in the eastern part of Canada when, because of the time zone difference, the election has not been completed in the western part of Canada.

It is illegal to report that sort of thing until the results are finally in from British Columbia and all across the nation. This is a restriction on the freedom of the press. The hon. members supported it without any qualms or hesitation at that time. They have supported year after year, practically every time the Elections Act has been amended, and again last year, the provision that restricted the press and radio in regard to using radio broadcasting for political purposes for a certain period of time before election day. That is a restriction on the press and certain individuals who want to get across their point of view. This attitude that has been taken is just silly nonsense, as I said a moment ago, levelling these accusations at the hon. member for Timiskaming.

They also supported this new legislation last year that we should not use certain kinds of radio stations to broadcast election material. This was endorsed unanimously by this house. It was a restriction on the right of an individual to use a particular radio broadcasting or television station in a federal election in order to get across points of view to the public.

This house endorsed that legislation, including the two members who have just sat down. The use of posters in our election headquarters, the use of buttons, ribbons, and so on

to be worn on election day are all, in the words of the hon. members who have just completed their speeches, restrictions on the freedom and the rights of individuals, but they support those things unanimously.

They come into this matter now merely because one of the hon. members might disagree with my hon. friend for Timiskaming in another field, namely the field of divorce. They come along and drag out all these cliche phrases of "rigid, fascist type control", and it is just a lot of silly nonsense.

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, the hon. member for Skeena (Mr. Howard) first attacked the hon. member for York-Humber (Miss Aitken) and then the hon. member for Moose Jaw-Lake Centre (Mr. Pascoe) on what they said. He mentioned a list of restrictions that we have in the Elections Act. Practically all the restrictions he mentioned refer to the day voting takes place. This bill seeks to restrict certain publications from the day parliament is dissolved or the writs issued, and before. That is a considerable length of time.

Gallup polls of one form or another disseminate information. Before condemning or proposing a piece of legislation we should be familiar with its contents. I think previous speakers in this debate have laid particular stress on what effect this legislation would have on the press. But this bill goes further than that. It makes one guilty of an illegal practice under the Elections Act—and the penalties under that act are, I would say, pretty stiff—to do these things from the time parliament is dissolved, or the writs issued in the case of a by-election. As a matter of fact, it even refers to a vacancy in a constituency, I presume on account of the death of a member.

It prohibits Gallup polls or straw votes being broadcast over our radio—not only newspapers—by means of a news sheet or by means of a poster. I presume the law under this bill would go so far as to prohibit a class at school from putting up on a bulletin board the results of, call it a straw vote if you like, elections that schools are in the habit of taking amongst their students.

I think everyone is interested when an election is on. All parties are interested in the outcome. Notification must be given on billboards, in handbills or in some other manner. I presume anyone who took a straw vote could not even communicate it by way of a letter to his sweetheart. That is covering a lot of ground. That is a lot of prohibition. Nevertheless, this measure does not make it illegal to conduct such a poll, and if you could whisper the result around, if you could get the information around by word of mouth, or from house to house and get away with it you would not be liable to be punished under the provisions of this bill.

I was very interested in what the hon. member for Timiskaming (Mr. Peters) had to say in his introductory remarks, and I tried to find the reason that prompted him to introduce this bill or what prompts him to introduce it annually. We have heard nothing on that score. We have not heard that any section of the Canadian people or any individuals have asked for the enactment of such a law as he proposes. The hon. member referred to the fact that the legislature of British Columbia has passed such a law prohibiting the publication of straw polls or Gallup polls. The hon. member for Skeena (Mr. Howard) interjected that it was the Conservative party that did it. Well, it is a long time since British Columbia had a Conservative government.

Mr. Howard: And it will be a lot longer yet.

Mr. Mandziuk: That is what you think.

Mr. Speaker: Order.

Mr. Mandziuk: I know the British Columbia legislature passed a bill prohibiting the publication of polls of this type in 1939 and I am going on the authority of the hon. member for Timiskaming who in his address to this house on April 21, 1959, said, as reported on page 2897 of *Hansard*:

> British Columbia faced this matter in 1939 when they passed section 168 of the British Columbia elections act which reads:
>
> "No person, corporation or organization shall after the issue of the writ for any election take any straw vote which will, prior to the election, distinguish the political opinions of the voters in any electoral district."

I have not had time to call for the British Columbia statutes but I know from memory, without calling on the statutes, that in 1939 there was a Social Credit government in British Columbia, and I have a recollection that a government of the same political colour in a sister province to the east had tried to censor the press by passing certain legislation—

I appreciate interruptions. I want to be set right if I am wrong in saying this was passed in 1939. I am only going on the authority of the hon. member for Timiskaming.

Mr. Howard: That is not what I said, and you know it.

Mr. Speaker: Order.

Mr. Mandziuk: I have not much time. I consider that this piece of legislation has nothing else in mind but controls, controls

and more controls. If we are going to control public opinion we might as well start by controlling the press. We might as well abolish the press gallery and keep the newspaper men out. We might as well censor everything they write. We might as well pass a law censoring everything that is said on radio and on television. We might as well censor everything. Then what? Mr. Speaker, then we would be nearer to that socialist heaven behind the iron curtain where everything is controlled.

Mr. Howard: That is a wrong interpretation, and you know it.

Mr. Speaker: The hon. member has made his contribution to this debate and he has no right to interrupt from his seat.

Mr. Howard: Even if what the hon. member is saying is false?

Mr. Speaker: No matter what the provocation is. If the hon. member wishes to speak, he must rise.

Mr. Mandziuk: One step leads to another, and the hon. member knows it.

Mr. Howard: That is just not true. It is misinterpretation.

Mr. Speaker: If the hon. member finds that he has been misinterpreted he will have an opportunity at the conclusion of the remarks of the hon. member who has the floor to make an explanation.

Mr. Mandziuk: In concluding, because our time is limited, may I say there are some people in this house and some people in this country who are suffering from control phobia. They would like to control everything.

Mr. Speaker: I see it is six o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I have some indication of what the business is to be on Monday, Tuesday and the rest of next week?

Mr. Nowlan: I think I can oblige the hon. gentleman, at least to some extent. Under the rules, Monday is private members' day. On Tuesday we shall continue with the budget debate, and on Wednesday we shall proceed with item No. 10 on today's order paper, the resolution in the name of my colleague the Minister of Agriculture dealing with certain measures of co-operation between the federal government and provincial governments. Further, I cannot go at the moment.

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

Question

ANSWER TO QUESTION

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

GREAT LAKES—PLATFORMS FOR DRILLING EQUIPMENT

Question No. 63—**Mr. Martin (Essex East):**

1. Has the government received representations from any body requesting the refusal of applications by oil or gas companies for the construction of platforms in the great lakes or connecting rivers for the purpose of sustaining oil or gas drilling equipment?

2. If so, from whom have such representations been received, and what reply has been made?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. Yes.

2. From the Essex county council, in the form of a resolution. Resolutions endorsing the request of the Essex county council have also been received from the town of Kingsville, the township of Mersea, and the city of Windsor.

The department's reply was to the effect that this department is responsible for processing applications under part 1 of the Navigable Waters Protection Act, and our jurisdiction in the matter is limited to the aspect of possible interference with navigation.

The licence to carry out exploratory drilling on the beds of lakes and rivers is granted by the province, and the question of possible water pollution, resulting from the drilling operations, should be referred to the provincial authorities.

HOUSE OF COMMONS

Monday, January 23, 1961

The house met at 2.30 p.m.

THE CENSUS

STATEMENT ON SUGGESTED CHANGES IN QUESTIONS

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, during the past few weeks I have received representations from various parts of the country and from various groups to the effect that certain of the population census questions which have been used for some time do not produce the exact statistical information required in some respects for the analysis of the characteristics of the Canadian population for such purposes as social analysis and some general business requirements. For this reason I asked the dominion statistician and his staff to give me their opinion as to whether improvements are possible in the questions in order to produce more accurate results so that the needs of the users may be better served.

I have received from the dominion statistician this letter, which I shall read to the house, dated January 20:

Dear Mr. Hees:

You asked us a short time ago to let you have our considered opinion about the adequacy of the form of questions on the ethnic and cultural and religious background of the Canadian population and their birthplaces as obtained through Canadian censuses over the years. We have given this matter some study and we have some observations and suggestions to offer.

An example of the type of change which I believe would be most desirable is found in the existing questions on citizenship and origin.

The existing form of the origin question has, indeed, limitations, some of which are very difficult to overcome and others which we think can be remedied. The principal problem arises from the practice which originated with the 1951 census of accepting Canadian as an answer to the question on origin, whereas in fact the information which was being sought related to the ethnic groups and cultures of the old world. It would be desirable to bring the 1961 census data back into line with information obtained prior to 1951 and to avoid the confusion which inevitably arises out of mixing North American with European and other origins. This could be done by rephrasing the inquiry to make the intent of the question clearer to the respondent.

If it were felt advisable to take steps to overcome this difficulty to the extent possible in a general census, it would be necessary to rearrange the questions somewhat.

I believe that the question on citizenship should be asked in the following form: "Country of citizenship—Are you a Canadian? If not, of what country are you a national or citizen?"

To clarify the question of ethnic origin, it should now read, "To what ethnic or cultural group did you or your ancestor—on the male side—belong on coming to this continent?" Obviously there will be some change in the listing of possible answers to the question on cultural origin.

The rephrasing of these questions will result in considerable increase in the clarity of the information and help to avoid the confusion between citizenship and origin.

There are several other changes which could be made in the population form at the same time to facilitate the operation of the census. If the suggestion set out above appeals to you, I shall have a new census form prepared and submitted for your approval.

Yours faithfully,

Walter E. Duffett,
Dominion Statistician.

Mr. Speaker, I am much impressed with what the dominion statistician has told me about the need for revision of the census population form so that it will produce the exact information required. I have therefore asked the dominion statistician to submit a new and revised form embodying the changes which he and his associates believe are necessary to produce the information for which the census is intended. These changes will, I am sure, meet the points raised by the various groups who have pointed out to me some deficiencies in the form as originally proposed.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, we have listened with great interest to the statement of the Minister of Trade and Commerce (Mr. Hees). Of course, we would have to look carefully into this statement before we express an opinion.

For the moment I shall only say that it is obvious that the minister has completely reversed his position on the census.

Some hon. Members: No, no.

Mr. Morissette: That is what you think yourself.

Mr. Chevrier: It is also obvious that because of the unanimous views held not only in one province but elsewhere in this country, the minister has seen fit to revise his position, as the government has done.

(Text):

Here, sir, I would like to add that the distinction, as we on this side of the house have maintained all along, is with reference to questions 7, 8 and 10. One of these questions had to do with nationality and the other

with racial origin, and by the conduct of the government there was confusion with reference to the origin of a citizen. That confusion would lead to only one thing, that those who are interested in compiling data for the information of all Canadians on the complexity and diversity of the Canadian population could not have found it possible to obtain that information by means of the manner in which question 10 had been established.

Then again, there is the very important problem for which the census has been established. The census has been established for the purpose of obtaining information with reference to the diversity of the population, the age, the occupation, the racial origin, the religion, and so forth. That has been the practice since 1891, I am informed, and the position so far as we on this side of the house are concerned was this. We could not understand why it was that this practice which had been in existence since 1891 should be changed at this time. As I said earlier, we would like to study the statement made by the minister now to ascertain just what its effect will be on the representations that have been made, but on the whole there can be no doubt that the Minister of Trade and Commerce, who considered this matter not too serious in the house when questions were put to him earlier—

Some hon. Members: Order.

Mr. Speaker: Order. May I remind the hon. member that this statement is a statement of intention, of fact, of action being taken on a subject which has been controversial in the house. We have debated the same point in the course of the budget debate.

I hope that the hon. member, in commenting on the proposed action, will refrain from this kind of controversial or argumentative approach to the announcement that would necessitate or evoke an answer at this time. I say this because this is not a debate on the matter; it is a statement of intention presented to the house, without argument, and it seems to me to be appropriate to comment on it without provocative or controversial language.

Mr. Chevrier: Mr. Speaker, I am reminded that the Prime Minister has indicated that there would be an opportunity to discuss this on a later occasion—

Some hon. Members: Oh, oh.

Mr. Ricard: Now that everything is settled.

Mr. Chevrier: —and that opportunity may or may not have to be taken, having regard to the statement which has been made.

[Mr. Chevrier.]

Mr. Fleming (Eglinton): Where were you on Friday?

Mr. Chevrier: But there is one thing which I think should be brought to the attention of the house, and it is this. It is unfortunate that the minister and the government should have seen fit to rely now on the recommendations of the dominion statistician. If those recommendations had been followed in the first place—they were made quite clear—there would have been no difficulty at all about the matter.

Mr. Balcer: St. Laurent.

Mr. Fleming (Eglinton): You are criticising Mr. St. Laurent's decision.

Mr. Speaker: Order. I am sorry to interrupt the hon. member again, but it seems to me he is debating the issue. If he proceeds in that vein it will be very difficult for me to prevent a debate arising at this time. This is not the appropriate time at which the matter may be debated in full, and I would ask the hon. member to leave his remarks at that point.

Mr. Chevrier: Mr. Speaker, my only purpose in making the statement I did was not only in answer to what was said by the minister, but in answer to interruptions which came from the other side of the house. I think I am entitled to reply to those interruptions.

Mr. Speaker: I have heard no interruptions and hope that they are not part of the record.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, we in this group welcome the statement that has been made by the minister this afternoon. With the hon. member for Laurier, we will study it carefully. It is a fact that because of the original form in which this census questionnaire appeared, certain difficulties have arisen and there have been certain criticisms. We hope that the suggestion made by the minister will in fact solve those difficulties, and that the government's suggestion will be acceptable to all Canadians. We in this group think that the form used in the taking of the census should be such as not to cause conflict and criticism, but that it should be a form to which all Canadians would very readily give their approval.

Mr. Hees: Might I suggest, answering the hon. member for Laurier, that the intention of the government is not to confuse anyone but to clarify the mistake which Mr. St. Laurent and the Liberal government made in 1951.

Some hon. Members: Order.

Mr. Speaker: Order. If the minister feels that something which has been said is in conflict with the truth, or gives a wrong impression of his announcement, he may, I think, properly explain what he thought was the misinterpretation, but if it is a question of answering along lines which I feel he should not pursue, I would ask him to leave it to a more appropriate occasion.

Mr. Winch: Is there anyone here who objects to saying he is a Canadian in answer to a census question?

TRADE

GRAIN—ANNOUNCEMENT OF ANTICIPATED BARLEY SALE

On the orders of the day:

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): I am pleased to be able to report to the house that negotiations between the Canadian wheat board and the representatives of the China Resources Company, Hong Kong, who are in Canada, are continuing. The Canadian wheat board anticipates that 12 cargoes of feed barley, representing approximately 120,000 tons, will be booked within the next few days for nearby shipment out of our west coast ports.

EXTERNAL AFFAIRS

NEWFOUNDLAND—DISPOSITION OF PEPPERRELL AIR FORCE BASE FACILITIES

Right Hon. J. G. Diefenbaker (Prime Minister): By leave of the house I should like to make a statement at this time. On August 6 last I said that if and when we received an official notice of abandonment from the United States government in regard to the Pepperrell air force base there would be the fullest consultation with the government of Newfoundland on this matter. Formal notice was received on August 11 to be effective a year later, that is in August of this year, 1961.

We have had a number of informal discussions with the government of Newfoundland on the reversionary rights respecting the ownership of the base and on the equitable distribution of the facilities between the government of Newfoundland and the government of Canada. We have come to the conclusion that the question of ownership should be the subject of a reference to the Supreme Court of Canada, and preparations are now being made for that reference.

The premier of Newfoundland has been informed of our decision in this regard, and I hope it will be possible to reach an agreement on the statement of facts to be presented to the court. In the meantime, informal arrangements have been worked out with the government of Newfoundland and the United States authorities to ensure that the facilities of the base are adequately maintained and protected pending the determination of their disposition.

COLOMBO PLAN—ANNOUNCEMENT RESPECTING ASSISTANCE TO PAKISTAN

Hon. Howard C. Green (Secretary of State for External Affairs): On Friday next the Warsak hydroelectric project in Pakistan will be formally inaugurated, with the Minister of Veterans Affairs representing the government of Canada. This is the largest Colombo plan project in which Canada has participated. It is also the largest project of its kind in Pakistan. Warsak will produce 160,000 kilowatts of power and help irrigate 110,000 acres of virgin land. In the process of construction some 10,000 Pakistanis, mostly tribal people, have had training in modern trades and techniques.

In the course of his current visit to Pakistan the Minister of Veterans Affairs is also representing the Canadian government at the inauguration of two other projects in which Pakistan and Canada have co-operated under the Colombo plan. Yesterday the Shadiwal hydroelectric project in West Pakistan was inaugurated, and tomorrow there will be a similar ceremony at the Goalpara thermal power station in East Pakistan.

With the completion of these major projects we are now discussing with the Pakistan government other projects in which we might assist Pakistan to further its economic development. From the $50 million appropriated for Canadian aid under the Colombo plan in the fiscal year 1960-61, $15 million has been allocated for capital assistance to Pakistan. Discussions have been proceeding with the government of Pakistan on the projects to be financed out of this allocation, and I am now able to inform the house that Canada has agreed to provide the following goods and services to Pakistan in 1960-61: wheat to the value of $3,650,000; fertilizers to the value of $2 million; aluminum to the value of $1,140,000; wood pulp to the value of $1,300,000, and an aerial survey and forest inventory in the Chittagong area of East Pakistan at a cost of $500,000.

These grants total $8.6 million. We are continuing our discussions with the Pakistan government on projects which might be financed with the remainder of the $15 million. I will be making further announcements when we have reached agreement on other items in this year's Colombo plan program for Pakistan.

In the case of the wheat, fertilizers, aluminum and wood pulp, the government of Pakistan has agreed to set aside counterpart

funds in local currency equivalent to the value of the Canadian grant. The counterpart funds will be spent on economic development projects in Pakistan to be agreed upon between the two governments. The aluminum will be used to help maintain an adequate level of production and employment in Pakistan's metal working industries. The fertilizer is urgently needed for increased food production in Pakistan to meet the demands of the increasing population. The wood pulp will enable a new paper mill in East Pakistan to operate while adequate local supplies of pulp are being developed. These commodities will help provide imports essential for the maintenance of the Pakistan economy and the success of its development plans in the face of an acute shortage of foreign exchange.

The aerial survey and forest inventory will provide essential information on which Pakistan can base plans for a program of development of resources in a forested area of East Pakistan.

Hon. Paul Martin (Essex East): Mr. Speaker, this is the second announcement made by the Secretary of State for External Affairs regarding assistance by Canada to an Asian member of the commonwealth during the last few days. The announcement the other day had regard to the completion of the atomic project at Bombay, and now this announcement with regard to Canada's assistance to Pakistan under the Colombo plan is further evidence of the interest which this country and all hon. members of this house take in the assistance that is provided under the Colombo plan.

The minister has mentioned a number of instances of gifts to Pakistan which Canada is continuing in one form or another. Among those mentioned today, of course, was that with regard to the Warsak dam, which is situated on the Khyber pass between Afghanistan and Pakistan. This is a matter that I know has engaged the special interest of the Leader of the Opposition. The Secretary of State for External Affairs will recall that not only was this project begun when the Leader of the Opposition was secretary of state for external affairs, but that hon. gentleman had the distinct honour of pushing the button which began the entire operation. Other hon. members of this party have had something to do with the Warsak dam. I, too, had the great honour of visiting this project, as did the hon. member for Ottawa West.

I hope that some time the Prime Minister, who evinces great academic interest, will also have the opportunity of seeing that the very worthy projects which hon. gentlemen of the present government are carrying on were well founded by the administration of which the present Leader of the Opposition was the secretary of state for external affairs.

[Mr. Green.]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the fact that this group have been longtime proponents of increased expenditures under the Colombo plan, we are naturally interested in and welcome the announcement made this afternoon by the Secretary of State for External Affairs. However, Mr. Speaker, the fact that during recent weeks the Secretary of State for External Affairs has taken the opportunity about once a week to announce some further development or expenditure under the Colombo plan indicates that the government's ear is attuned to the popular will in this case. In our view expenditures on behalf of countries within the commonwealth are a method for building peace.

Finally, I simply say on behalf of this group that we urge the government to transfer some of its expenditures on obsolete and useless weapons to the Colombo plan and greatly increase its expenditures under that plan at this time. I am sure that in so doing they will receive the approval of the vast majority of the Canadian people.

REPRESENTATION ACT

AMENDMENT TO CHANGE NAME OF CONSTITUENCY

Mr. W. F. Matthews (Nanaimo) moved for leave to introduce Bill No. C-59, to amend the Representation Act.

Some hon. Members: Explain.

Mr. Matthews: Mr. Speaker, the purpose of this bill is to change the name of the electoral district of Nanaimo to Nanaimo-Cowichan-The Islands.

Motion agreed to and the bill read the first time.

PUBLIC ACCOUNTS

REFERENCE TO COMMITTEE OF REPORT OF CANADA COUNCIL

On the order: Government notices of motion:

January 20—The Prime Minister—the following proposed motion:—

That the report of the Canada council for the fiscal year ended March 31, 1960, laid before the house on July 13, 1960, be referred to the standing committee on public accounts in order to provide for a review thereof pursuant to section 23 of the Canada Council Act.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

REFERENCE TO COMMITTEE OF PUBLIC ACCOUNTS AND REPORT OF AUDITOR GENERAL

On the order: Government notices of motion:

January 20—The Minister of Finance—the following proposed motion:—

That the public accounts, volumes I and II and report of the Auditor General for the fiscal year ended March 31, 1960, and the financial statements of the Canada Council and the report of the Auditor General thereon for the fiscal year ended March 31, 1960, be referred to the standing committee on public accounts.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion is transferred to and ordered for consideration under government orders at the next sitting of the house.

MOTIONS FOR PAPERS

RICHELIEU RIVER—REPORT ON DREDGING

Motion No. 20—**Mr. Dupuis:**

For a copy of each of the reports made by the economists and engineers of the Department of Transport, in connection with the possible dredging of the Richelieu river between the St. Lawrence river and lake Champlain.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on the two previous occasions when this motion was called I explained that the papers requested are departmental reports and therefore privileged under the established practice of the house. In the circumstances I would hope the hon. member would agree to withdraw his motion.

Mr. Dupuis: Could I have the motion stand?

Mr. Speaker: The motion has been put. With the consent of the house it may stand or be withdrawn.

Mr. Dupuis: I will withdraw.

Mr. Speaker: The mover of the motion requests leave to withdraw the motion. Is it the pleasure of the house that the motion be withdrawn?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

POST OFFICE BUILDING, RESERVE MINES, N.S.

Motion No. 29—**Mr. Argue:**

For a copy of all correspondence, telegrams, resolutions, petitions, and other documents exchanged between the federal government and the municipal council of Reserve Mines, Nova Scotia, the government of the province of Nova Scotia, and any other persons or organizations since January 1, 1960, regarding the erection of a post office building on the Sydney road at Reserve Mines, Cape Breton, Nova Scotia.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, we accept this motion subject to the usual reservation.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservation expressed by the minister?

Some hon. Members: Agreed.

Motion agreed to.

POST OFFICE BUILDING, RESERVE MINES, N.S.

Motion No. 30—**Mr. Argue:**

For a copy of all correspondence, telegrams and other documents exchanged between the Prime Minister, the Postmaster General and the Minister of Public Works since January 1, 1960, regarding the erection of a post office building on Sydney road at Reserve Mines, Cape Breton, Nova Scotia.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I would ask that the hon. member for Assiniboia withdraw this motion in view of the fact that these documents are privileged.

Mr. Argue: Mr. Speaker, the minister is completely accurate in making this suggestion. I was rather surprised that the motion got to this position and, for the reasons the minister has given, I shall be very happy to withdraw.

Mr. Speaker: As the motion has not been placed before the house and the hon. member who is the mover consents to its withdrawal, it is withdrawn.

Order discharged and motion withdrawn.

PENSION VESTING FOR INCOME TAX PURPOSES

Motion No. 33—**Mr. Herridge:**

For a copy of all telegrams, correspondence or other documents exchanged between the Minister of Finance and the Minister of National Revenue or any officials of their departments and any officers of any trade union with respect to pension vesting for income tax purposes, since January 1, 1958.

Hon. Noel Dorion (Secretary of State): Mr. Speaker we accept the motion in so far as it has to do with documents exchanged between the federal government and organizations and persons outside the government.

Mr. Herridge: I accept that condition.

Mr. Speaker: The hon. member who moves the motion accepts the reservation expressed by the minister. Subject to this reservation, is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

FLAGS OF CANADA

PROVISION FOR REFERENDUM ON ADOPTION OF CANADIAN FLAG

On the order: Notices of motions:

November 17—Mr. Regnier—the following proposed resolution:—

Flags of Canada

That, in the opinion of this house, the government should consider the advisability of introducing a measure to provide for a referendum concerning the adoption of a Canadian flag.

That the questions submitted in said referendum be as follows:—Are you in favour of a flag consisting of (a) a green maple leaf on a red and white field, or (b) the red ensign?

Mr. Speaker: Before placing the motion of the hon. member for St. Boniface before the house may I note a technical difficulty which results from the fact that there are two public bills standing on the order paper both dealing with the question of a distinctive national flag, which is also the subject matter of this motion.

The problem of conflict between two items on the order paper dealing with the same matter has arisen before in the house. Hon. members will recall that there were two bills dealing with the printing of negotiable securities in French, and that debate on one of them was refused pending the disposition of the other on the grounds that the house will not enter into a discussion of identical subjects under two categories.

As this motion is now, I take it, about to be offered to the house, there is before us not quite the same problem of the same subject matter in two bills on the order paper, but rather the same or a similar subject matter in a motion and in two bills. That raises the question of whether discussion of this motion now would not be in anticipation of the order for resumption of the debate on the motion for second reading of Bill No. C-8, an act to authorize a Canadian flag, which was moved by the hon. member for Lincoln and discussed some days ago, as well as in anticipation of second reading of Bill No. C-17, an act respecting flags of Canada, which stands in the name of the hon. member for Drummond-Arthabaska. The relevant citation from Beauchesne is citation 131, in his fourth edition, which reads as follows:

The anticipation rule, which forbids discussion of a matter standing on the paper being forestalled, is dependent on the same principle as that which forbids the same question being twice raised in the same session. In applying the anticipation rule, preference is given to the discussions which lead to the most effective result, and this has established a descending scale of values for discussions —bills, motions, amendments, etc. Thus a bill must not be anticipated by discussion of a motion, amendment, or subject raised on another motion.

Then citation 148, section 1, is to similar effect.

It is a wholesome restraint upon members that they cannot revive a debate already concluded; and it would be little use in preventing the same question from being offered twice in the same session if, without being offered, its merits might be discussed again and again.

[Mr. Speaker.]

Citation 200, section 3, reads:

A motion dealing with the same subject matter as a bill standing on the order paper for second reading cannot be considered.

I think that sufficiently indicates the principle involved. A question remains whether the subject matter of this motion is the same as that of the two bills, or either of them, and I should be glad to hear the hon. member on that point. In discussing this, I think it is relevant to consider whether, if this motion proceeds, the debate can be restricted in any way to distinguish it from the debate on the other bills, both of which are for a method of selecting a flag.

Mr. Laurier Regnier (St. Boniface): The resolution relating to the flag is No. 2 on the order paper as the result of a draw made prior to the opening of the session. The bill presented by the hon. member for Lincoln (Mr. Smith) was No. 8 on the list. This is the first point I want to make. If this line of reasoning were followed there would be danger that a resolution might be defeated, although it had priority on the order paper, by the placing of a number of bills on the order paper.

My second point, Mr. Speaker, is that the principle of this motion is not the same as the principle of the bill. My motion requests a referendum to choose a flag. Not only is this resolution in a place of priority on the order paper, but I believe this is the first time this subject has been introduced in the house for discussion. I do not believe the subject of a referendum to choose a flag has been debated before. I would say there is as much difference between the resolution and the bill introduced by the hon. member for Lincoln as between night and day.

Hon. Lionel Chevrier (Laurier): I have listened to the citations which you have just given to the house, Mr. Speaker, and it would seem to me that the point made by the hon. member for St. Boniface is one which should commend itself to Your Honour.

The reason for that is that it seems to me that the principle involved in the motion now before the house is entirely different from the principle contained in the bills. Bill No. C-7, respecting flags of Canada, which was submitted to the house by the hon. member for Drummond-Arthabaska has not been brought to our attention thus far. As the hon. member has said the other bill, No. C-8, moved by the hon. member for Lincoln, is one that deals with one matter; but this motion deals with a referendum and the principle, on the face of it, strikes me as one which is entirely different. We have from time to time in the house matters that are

amended because of a different principle, and Your Honour has had to deal with that.

It strikes me, on the face of it, that it would not be in order—I say this with respect to Your Honour—to give priority to either of these bills in view of the fact that the matter of referring this subject to the country is one which is not contained in the other bills.

Mr. Speaker: I thank the hon. members for the distinctions they have drawn. There is, of course, a very distinct principle in this motion; that is, that there be a referendum to the Canadian people to decide as between two flags. I assume that referendum is for some purpose, and that purpose is to provide a method of establishing a Canadian flag. I am quite prepared to accept that distinction, if the house is agreeable, and to allow the debate to proceed, although I must say I have little hope of maintaining any distinction between the debate which will arise on this motion and the debate which we have already had or will have on the other bill.

Mr. Herridge: My group believe this resolution is much more acceptable than asking the lord lyon king of arms of Scotland to design a flag for us.

Mr. Speaker: If the house will then permit me to accept this motion, with the very definite reservation that it will not be too weighty a precedent, I shall be glad to call upon the hon. member for St. Boniface.

Mr. Laurier Regnier (St. Boniface) moved:

That, in the opinion of this house, the government should consider the advisability of introducing a measure to provide for a referendum concerning the adoption of a Canadian flag.

That the questions submitted in said referendum be as follows:—Are you in favour of a flag consisting of (a) a green maple leaf on a red and white field, or, (b) the red ensign?

(Translation):

Mr. Speaker, I rise today with pride and humility to speak in favour of the resolution appearing in my name on the order paper with regard to a referendum on a Canadian flag. Lacking the eloquence to deal with a matter so dear to the hearts of all Canadians, I shall be brief.

If I rise today to discuss the matter of a referendum with regard to a national flag, it is because the people want it. Canada needs a flag. It is a necessity. The pride of the whole nation is at stake. It is not only a matter of self-esteem, but of national pride. It is essential for strengthening the unity and harmony of the two great races which, along with all the other ethnical groups living together in Canada make up the Canadian people. A country must be proud of the flag which represents the nation. A flag would be the symbol of our independence and brotherhood.

Personally, I believe that the love and faithful devotion we feel for our country can only be strengthened by such a symbol.

Comparing nations with individuals, the lack of a flag makes us like a man who has grown up without a name and, who wants to gain not only the respect of his fellow men, but hopes to become a leader or chief. He cannot succeed for want of a name.

Canada has been making tremendous efforts in favour of peace and disarmament. That is an excellent reason why as an independent country with a growing influence in world affairs, Canada should have its own flag. Because it has no flag, other nations can say that Canada cannot speak with a single voice. We lack the unity we are urging other nations to achieve as a prerequisite to peace and disarmament. As a result, our efforts to get the support of other nations in favour of peace and disarmament can only be weakened. If we are unable to pick our own flag, it means we are controlled by another country, and therefore incapable of independent action.

Mr. Speaker, a number of my French-speaking fellow Canadians are afraid that the resolution I am proposing involves some risk. They fear that the Canadian red ensign may be chosen. By way of reassurance, I shall tell them that, if my grandfather had borne the same name as my grandmother, I would be called MacIntosh, and as a true Scotsman, I only go in for a pretty sure bet.

I am certain that the province of Quebec has no monopoly on patriotism, and also I am sure that if a referendum did take place Canadians would choose a flag with a maple leaf design and without any symbol from some other country. In fact, when the special joint committee on a distinctive Canadian flag met for nine months in 1945 and 1946, an hon. member, Mr. McNicoll, spent 25 hours studying the 2,409 designs which had been submitted at the time. And this is what Mr. McNicoll found. Of the 2,409 designs submitted 1,611 showed a maple leaf, which means two in three, or 61 per cent; 383 had a union jack, that is one in six, or 16 per cent; 231 had stars; 184, fleurs-de-lis; 116 a beaver; 49 a crown; 22 a cross, and 14 the great bear.

Now, Mr. Speaker, that was a real referendum taken among all Canadians who were interested in the choice of a flag. Sixty seven

per cent wanted the maple leaf and 16 per cent the union jack.

The institute of public opinion reports in the *Star Weekly* of March 21, 1957, after having taken a poll involving 1,110 adults of all ages and professions, that is four times as many as in the ordinary Gallup polls, that in Canada, three people in four are favouring a distinctive flag, which would differ from that of any other country.

At the junior chamber of commerce the answers of 2,400 of its members to a set of questions gave the following results: English-speaking members: 79 per cent in favour of a Canadian flag with no emblem of any other country.

Of 3,800 English-speaking Canadians asked to take part in this vote, 70 per cent were in favour of a distinctive flag. According to press reports during the recent Liberal rally, a referendum by the Calgary young Liberals indicated that 7 per cent voted, at the Calgary Stampede, in favour of a flag showing a maple leaf and nothing else.

Moreover, it may be concluded from the fact that in 1946 the joint committee recommended the adoption of a flag with a maple leaf in autumn colours and the union jack in the canton and that this proposal remained buried in some office drawers for 15 years, this decision was certainly not based on evidence received by the committee. If we take as basis the analysis made by Mr. McNicoll, M.P., we are satisfied that the members of the joint committee in 1945 and 1946 did not take any decision with regard to the evidence submitted, because as can be recalled and as I have read in the official record for 1945 Mr. Mackenzie King and Mr. St. Laurent, who was then minister of justice, had, during the three days of debate on this matter, expressed the view that the union jack should be included on any flag that might be chosen.

When the leader of a party in power or the minister of justice gives his opinion to the committee, can the committee be expected to take a decision contrary to the opinion stated in advance by the government? That is why this flag has remainded and still is out of sight.

This is why I am asking for a referendum the possibility of which has already been considered. Indeed, I feel that a referendum is not necessary, because every day, the Canadian people express their opinion on the matter and this is enough for the present government to act upon.

Maybe the government declines the honour of selecting a flag for Canada. All the same, that honour should not be denied to the Canadian people.

[Mr. Regnier.]

If a referendum takes place, I suggest that it should be held at the same time as the next election, so as to avoid additional expenses.

Mr. Heward, an Ottawa lawyer, had this to say about the 1946 flag committee:

(Text):

This recommendation was made by the committee:

(Translation):

Pardon, Mr. Heward then refers to the committee's recommendation. I quote:

(Text):

Your committee recommends that the national flag of Canada should be the Canadian red ensign with a maple leaf in autumn golden colours in a bordered background of white, replacing the coat of arms in the fly; the whole design to be so proportioned that the size and position of the maple leaf in relation to the union jack in the canton will identify it as a symbol distinctive of Canada as a nation.

(Translation):

Such was the recommendation, Mr. Speaker. This is actually the flag that I should like to see included in the referendum.

(Text):

This recommendation was arrived at by the committee on the 11th July, 1946. A bill was not introduced by the government at the session then sitting to implement the report and was not introduced at the next session. The government no doubt recognized very well that because of the very great opposition to such a flag, as recommended by the committee, they would lose the support of Quebec certainly and also lose some support in other places. The government might, quite possibly, be defeated on such a bill.

(Translation):

And further on, he stated:

(Text):

The introduction of a bill to adopt a flag has apparently been indefinitely postponed. This, it is believed, is a very proper policy for it is much better to wait even for some years to adopt a flag than to decide on a design now which is opposed by so many Canadians. Canadians are not yet sufficiently Canada-conscious to appreciate the necessity for a flag of purely Canadian design; the patriotism of very many of them is still given to the United Kingdom and only what is left is given to Canada. They do not consider, as do their French compatriots, that Canada is their homeland, their fatherland. This unfortunate condition is being rapidly changed; the effects on the soldiers who have been overseas have been very great. They have come back Canadians. And until Canadians have acquired a Canadian national consciousness it would only divide the country into distinct opposing groups to adopt a flag that has the union jack in the upper staff quarter. How long this delay should be depends on the development of that national consciousness—three, five or perhaps more years might be needed, but it would be time well spent in doing nothing towards adopting a flag but spent in education in Canadian citizenship and appreciation of the fact that Canada is now, and has been for some years, a sovereign independent state entitled to a purely Canadian flag.

(Translation):

In my opinion, we have waited all those years mentioned by Mr. Heward in his book on the Canadian flag. I am convinced that today Canada is ready to be given a flag by its government or to select one if the opportunity arises.

(Text):

Mr. Speaker, I know that many still believe and are sincere in their opinions that the union jack should be chosen in any Canadian flag. I have been indebted to Mr. Cumberland, who was the supreme president of the native sons of England, for his book "The History of the Union Jack".

I have great respect for the union jack and great admiration for what it represents. I do not believe that Canadians, by adopting a flag which is absolutely different than the union jack, would have less love or respect for the union jack or what it represents. To use a famous phrase of Sir Wilfrid Laurier when speaking on another subject, "It is not that we love Great Britain less, but it is because we love Canada more".

The union jack dates from the time of the third crusades, when Richard Coeur de Lion, instead of going overland like most other nations, equipped a fleet and had a naval battle against the Saracens near the city of Beirut. Close to that city there was a grotto dedicated to St. George. As the result of a visit there Richard Coeur de Lion decided to choose the cross of St. George for the flag of England. It has been argued by many people that Richard Coeur de Lion was a French Norman king, and that really we should have nothing against the union jack because, after all, there were some French connections. But the racial connections should really have nothing to do with the flag that is the flag of this country.

In reading this book I find that it was James VI of Scotland who in 1603 became king of England. He was, I believe, the second cousin of Elizabeth and the great-grandson of Henry VIII. In 1606, in order to avoid quarrels between Scots sailors and English sailors he decided to have a flag that contained the cross of St. George and the cross of St. Andrew. But this flag was what they called an additional flag, and each country kept its own national flag. It was only on merchant ships that this new flag, called the union flag, would be at the main-top mast and the national flag was fore-top.

However, in 1707, in the reign of Queen Anne, the parliament of Scotland was abolished, with the result—and only then—that the union flag of what they called the two Britains, north Britain and south Britain, was adopted as the flag used all over Scotland and England. But it was not until 1801, when the parliament of Ireland was abolished, that the real union jack was formed by also including in the union jack the cross of St. Patrick.

So we have a formula. That is, if it is necessary to have the union jack as a flag we must have unity of parliament. As long as Scotland had her own parliament, the Scots people had their own flag and the English had their own flag. Only when the Scots parliament was abolished was the union jack used in Scotland and in England. But the king of England was the king of Ireland long before he was king of Scotland, and the Irish used their flag as long as they had their own parliament. It was only in 1801, when the parliament of Ireland was abolished, that they adopted the union jack. So, while they had the same king, they had different flags.

To be logical, those who want the union jack as their flag should be in favour of abolishing our parliament here and having it in London. Then we would be part of the same kingdom; then we could accept it. But as long as we have different parliaments we cannot have the union jack as our flag unless we first admit that we are not independent, that we are a colony. If we are prepared to do that, yes.

As far as the red ensign is concerned, the way the red ensign is now composed, every time I see it I feel a deep humiliation because the place of honour of the flag does not belong to Canada. It belongs to another country. I prefer the old union jack which we use in Manitoba to the flag which shows Canada to be subservient to another land. This is no reflection on Great Britain. It is no reflection on the other country whose emblem is in that flag, because it is not there because the other country wants it; it is there because Canadians have not had the courage to do anything about it up to now.

I am asking for a referendum because this question has been discussed for the last 35 years without action being taken. Motions and private bills have been brought down by members of all political parties. Perusing *Hansard* I find that as far back as 1925 an order in council is set out fully in *Hansard* providing in part as follows:

> The minister therefore recommends that a committee be appointed to consider and report on the most suitable design that should be adopted for a national flag.

In 1934 and again in 1935 motions were introduced by Mr. Dickie, the then Conservative member for Nanaimo, respecting a Canadian flag. In 1938 the Liberal member for North Battleford, Mr. McIntosh, put forward

in this house a proposal for the adoption of a Canadian flag. This resolution was debated on February 14, 1938 and during the discussion both the then prime minister of Canada, Right Hon. Mackenzie King, and the leader of the opposition of that day, Right Hon. R. B. Bennett, declared themselves in favour of a distinctive Canadian flag. I should like to quote excerpts from the speeches of these two statesmen. On February 14, 1938, as reported at page 438 of *Hansard*, Mr. King said:

> I would conclude this part of what I have to say with the observation that the continued use of the union jack gives a false impression abroad, and particularly in the country immediately adjoining.

Further on, as reported on page 440 of *Hansard*, Mr. King went on to say:

> Let me conclude with these words. There has never been a time, I believe, when the relations between Canada and the mother country were so cordial so completely friendly, helpful and co-operative in every way as they are at the present time. The present is the time, then, to consider this question. It will not be disposed of, in my opinion, until it is settled in Canada as it has been in the other dominions. If we do not settle it now, some issue may arise in the course of a few years which will provoke another discussion and lead to the settlement of the question in a manner that may be misunderstood elsewhere. Today there is no possible danger of misunderstanding on the part of anyone in this country, in Britain, in Europe or elsewhere in the world, as to what Canada has in mind in seeking to have a distinctive national flag.

Now I should like to quote the words of Mr. Bennett as reported at page 442:

> Upon the large question, I expressed an opinion in the house some years ago that I believed it was desirable, as I do tonight, that the country should have some flag by which it could distinguish itself from other parts of the world.

I might also refer hon. members to page 415 of *Hansard* of 1938 where there are quotations given in support of a distinctive flag from the Winnipeg *Free Press*, the Hamilton *Herald*, the Winchester *Press*, the Stratford *Beacon-Herald*, the Collingwood *Bulletin*, the *Recorder and Times*, Brockville, the Kingston *Whig-Standard* and many others. The Canadian Weekly Newspapers Association, Saskatchewan division, passed a resolution calling unanimously for the selection of a suitable flag to be known as the flag of Canada.

As I said earlier, the greatest work in this direction was done by the joint committee of 1945 and 1946. In 1956 at Windsor, Ontario the Ontario command of the Canadian Legion adopted a resolution demanding a referendum in respect of the two flags which were submitted by the minority and majority reports of the committee of 1945. This was, in a sense, erroneous, because the committee only reported one flag, but two flags were voted upon during the sittings of that committee, I believe on the last day of its deliberations. One of them was the flag coloured red and white and containing a maple leaf. The other was a flag which had not, in fact, been submitted at all. It was a flag which had been manufactured by members of the committee, though it is claimed some ten models had been produced to which the latter flag was similar.

The line of division in that committee was between those who were in favour of a maple leaf without the union jack and those who were in favour of a maple leaf with the union jack. As I mentioned earlier, if the committee had decided on the evidence before it, the position would have been clearer. The division was 67 per cent in favour of the flag with the maple leaf without the union jack, and 16 per cent for the flag containing both the maple leaf and the union jack.

In my first speech in the House of Commons I dealt with the subject of a distinctive flag for Canada, and I give credit for that, in part, to the first two people who wrote to me after my election in 1958. These letters were both dated April 2, and they asked me to work for a Canadian flag. I have also received cards from people in my own constituency, some containing pictures of a suggested Canadian flag, asking me to do the same thing. One of the letters I received came from an old man, who claims he was 90 years of age last October. As a matter of fact I received three letters. The first two letters were written by the man's daughter explaining that her father was too old to write. I answered those letters, and the third letter arrived in the handwriting of this old Canadian. I should like to name him; Mr. W. Gascon, of the city of Ottawa. He had kept clippings on the subject and had himself written to newspapers in an endeavour to have a flag adopted.

I should like at this point to commend the past president of the Canadian Legion, Montgomery command, who has a file about six inches thick on this subject. He is the one who brought me the draft of the resolution which was passed by the Ontario command and also the draft passed by the dominion command at the convention of 1958 held in Edmonton, asking for a referendum on the two flags which had been voted upon in the committee of 1945.

In the committee of 1945-46 a number of questions were raised. I wish to quote from the proceedings dated May 29, 1946 of the joint committee of the House of Commons and the other place:

The Chairman: I will ask Senator Lambert to present the report of the steering committee.

Hon. Mr. Lambert: The subcommittee beg to submit a resolution in the following form bearing upon the further procedure to be adopted in connection with the two flags voted on yesterday, namely:

That a subcommittee be appointed to which the two remaining flags be referred and that the subcommittee be directed to make suggestions that will go as far as possible toward reconciling the conflicting views expressed in the committee and toward working out a design which will be generally acceptable to the committee.

At page 119 of the proceedings Mr. Hansell, the then hon. member for MacLeod, said:

So what is there to compromise on if it is not the union jack? Therefore I think I am reading into this motion something that is pretty true, and I cannot see my way clear to vote for it. I do have a suggestion to make. It is not along the line of a motion at all. I do not know whether it will be acceptable to the committee, but I should like to see these two flags submitted to the people of Canada and let them decide. I think it would be well worth the time and money that would be involved. Let them decide.

Hon. Mr. Howden: In what way?

Mr. Hansell: By way of a plebiscite.

At page 130 Mr. Hansell said in part:

Here is my point—and this could very well be done without taking any political sides at all. When the next election comes along, I suggest that a referendum be taken at that time. The parties do not have to kick the thing around as a political measure. All they have to do is this. When the people go to elect their government, they are also given another ballot with two designs put on the ballot. You are not voting Liberal, Conservative, Social Credit, C.C.F. or anything else. That is a separate matter altogether. That can be done without costing the country a dollar except for the printing of the paper with the two designs on. Let the people mark X opposite the one or the other design. That I say is a reasonable suggestion and I do not know if it is in order—

The Chairman: No, it is not.

Mr. Hansell: The chairman shakes his head, so I presume it is not in order.

The Chairman: You can make that suggestion in the house.

Mr. Hansell: But if the decks were cleared—

Mr. LaCroix: Everything which is common sense is always out of order with you, Mr. Chairman.

I should also like to quote extracts from the second and final committee report dated Friday, July 12, 1946:

The joint committee of the Senate and the House of Commons appointed to consider and report upon a suitable design for a distinctive national flag for Canada, begs leave to present the following as a second and final report: Your committee held fourteen public sessions. The submission of designs to the committee was publicly invited and up to and including this date, 2,695 designs were received and considered. In addition, communications in the form of written letters, resolutions and printed form cards and printed form letters to the number of 42,168 were received and whenever the sender's name and address were given, receipt was acknowledged—

In the discussion of all phases of the subject assigned to the committee an admirable spirit of tolerance and co-operation was reflected.

The committee adopted a flag. I presume that the choice of design was directed by the government of the time. I do not think the committee decided on the evidence. As I said before, both prime minister Mackenzie King and Mr. St. Laurent, the then minister of justice, had indicated what should be on the flag.

I think the evidence is clear. It is open to the government to give the Canadian people what they want. If we simply study the type of designs submitted it will be clear that the Canadian people are interested in having a flag. I believe that action should be taken not by the government but by the people. If the government does not want to take the glory, then it should let the people have it.

Perhaps it is a good thing that the government should not impose its choice of a flag on the people. Such a flag would not please everyone. A flag chosen by referendum by a large majority of Canadians would be more acceptable to the nation than one selected by the government. There would always be people who would bear a grudge against any party that imposed its choice of a flag upon the nation. Resentment would build up, and the design would not be wholly acceptable. If, however, the design were picked by the nation it would be readily acceptable.

It is almost scandalous that a nation of 18 million people does not have its own flag. Young nations like Ghana and others who are also members of the commonwealth adopt their own flags the same day they attain their independence. It is my sincere hope that long before the celebration of our centennial this nation will have adopted a flag of its own that will be a symbol to everyone of our independence, unity and fraternity.

(Translation):

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I am pleased to rise after my hon. friend to tell him how glad I am that he has brought the flag question into this house, a question of great interest for all Canadians who are proud of that name. I am particularly happy that the hon. member who put forward that motion represents a Manitoba constituency. Not so long ago we had an opportunity to hear the matter of a national flag raised in this house by a member from the province of Ontario.

For the first time, Mr. Speaker, I should like in turn to voice my opinion on the flag question, and more particularly on the referendum suggested in the motion before us, whereby the Canadian people would be asked whether they favour a flag bearing

a green maple leaf on a red and white background, or what is known as the red ensign, the flag of the Canadian merchant marine.

I would say first, Mr. Speaker, that the flag question is a burning issue today, because more than ever we can discuss it without fear of hurting anyone's feelings in this beloved country of ours, Canada.

In this country we have Canadians whose relatives are still living in the old European countries and especially Canadians who came to Canada quite recently and who, in fact, still have in England, Ireland, Scotland or elsewhere relatives who are still close to their hearts. It is among those Canadians that we find the majority of those who are emotionally bound to the union jack and would like to keep it in the design of a Canadian flag.

A few years ago, Canadians whose French origin goes back approximately 100 years would certainly all have preferred to have the fleur-de-lis on our new Canadian flag. But over the years, and as Canada grows and acquires greater maturity, Canadians are becoming increasingly conscious of the need for a truly Canadian flag. It is so true and so right that the longer we have been in Canada, the more we feel ready to accept the idea of an essentially Canadian flag.

As an example, let me only mention the province of Newfoundland which joined confederation a few years ago. Its people, having only recently become Canadian citizens, are more devoted than Canadians anywhere else to the union jack, which only yesterday was their official flag.

All those attitudes are understandable. However, since the trend is that the longer one has been a Canadian the more one wants a distinctive flag, why not accept immediately the fact that an essentially Canadian flag, without any symbol from any other nation, would be best suited for a nation which now claims to be sovereign?

Mr. Speaker, I could recall several incidents but I shall mention only a few to draw the attention of this house to the many disadvantages resulting from the fact that we do not have a truly distinctive flag.

Last October, while in Paris, with my colleagues I happened to attend a reception given in honour of the chairman of a Canadian company. When the time came for us to enter the banquet hall, we noticed a small American flag on the table in front of the cover of the guest of honour who was a Canadian. So we asked: Why did you place a small American flag where the guest of honour is going to sit? The answer was: Well we wanted to please our visitor, as we do every time we play host to a distinguished guest from abroad. We always place in front of him the flag of his country. And since we have tonight a Canadian guest, we also wanted to please him by placing his flag in front of him. We inquired about the Canadian flag and none of those we questioned knew anything about a Canadian flag. That is why we placed an American flag in front of the guest because he came from America.

Well, Mr. Speaker, you can see from this incident how clearly the lack of a Canadian flag is prejudicial to us not only here in Canada but also abroad. Canada is a sovereign country, a country we are proud of, a country which has its independent government as well as its independent army and to which Canadian citizens are proud to belong.

Recently, on a C.B.C. television program, I saw visitors from India, Germany, Switzerland, who were discussing with a commentator that ticklish subject and who were asking: "How is it that you, in Canada, have no distinctive emblem, that you have as yet no Canadian flag"?

Well, Mr. Speaker, I think it would be useless for me to insist further on the urgent need of a Canadian flag. I would not like to labour the point unduly. So I come at once to this resolution now before us: Should we vote in favour of a resolution providing for a referendum at the next national election, in order to know whether the Canadian people prefer a flag bearing a green leaf on a red and white background, or the red ensign?

Mr. Speaker, I commend the hon. member for St. Boniface (Mr. Regnier) for bringing the matter before the house.

I agree with all he has said about our duty, as Canadians, to do all we can to obtain a distinctive flag; I fully agree with him on that, but where I do not agree, is on the way the referendum should be held.

You are going to ask Canadians, at the polls, whether they prefer the red ensign or a flag bearing a green leaf on a red and white background. To my mind, the weakness of the resolution lies precisely in that restriction imposed upon the Canadian citizen. Surely there are many Canadians who have the right or privilege to suggest a design for a flag, whatever it may be.

To restrict the debate to the consideration of two flags would amount to evading the question for the moment. In the first place, I do not believe that, from a strictly heraldic standpoint, Canadian citizens are prepared to select a particular flag in preference to another. In the second place, I believe the government is entitled first to sound out the opinion of the people on the most important point, i.e.: Are Canadian citizens prepared to accept a really distinctive flag, one which would include no emblem already belonging to another country. That is the major question, at the moment. The government will then shoulder its responsibilities.

We want to know whether the people of Canada wish to have a flag bearing an emblem of another country, such as the union jack or the fleur-de-lis, or any other emblem, or whether they prefer a strictly Canadian flag, bearing no sign whatever of any other nation.

Mr. Speaker, I believe that the whole matter right now hinges on that point. That is why, I should like to submit respectfully to this house an amendment to my friend's resolution.

My amendment reads as follows:

(Text):

I move, seconded by the hon. member for Drummond-Arthabaska (Mr. Boulanger):

> That all the words after the word "flag" in line 4 of the motion be deleted and the following substituted therefor:
> "by including the following question in the 1961 census: Are you in favour of a distinctive national flag which does not contain the emblem of any other country?"

Mr. Deputy Speaker: Does any hon. member wish to discuss the validity of the amendment? Otherwise I shall put it.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to speak to the motion and, of necessity now, to the amendment. Once again we are engaged in a discussion of the question of a distinctive Canadian national flag. This matter keeps coming before the House of Commons on a perennial basis by way of motions, and once again we have it before us this afternoon. Undoubtedly it is of interest to a great many people.

In introducing my remarks this afternoon I should like to remind the house of something I said in opening my statement on a similar motion on February 20, 1959. I said this, as recorded on page 1265 of *Hansard* of that date:

> There can be no question but what there is a great deal of interest in Canada in the question of a distinctive Canadian flag. I think I can say also that there are a great many ideas as to what that flag should be. I know that there is hardly a week goes by that I do not receive letters on this matter and a number of designs. In the main, each one is different. All these people are sincere, and everyone seems to have a good, basic reason for suggesting his own design.

I do not feel I can do better in introducing my remarks this afternoon, Mr. Speaker, on the motion that is now before us, than by repeating what I said on that occasion. This afternoon we do have a motion which is somewhat different from the many which this house has considered in the past. The hon. member is introducing a suggestion that the government should consider the advisability of holding a referendum concerning the adoption of a Canadian flag. The motion refers to only two designs. The question to be submitted in this referendum would be:

> Are you in favour of a flag consisting of (a) a green maple leaf on a red and white field, or (b) the red ensign.

This, sir, is a somewhat different suggestion from that which we have considered in past years. I want to say, first of all, that so far as the C.C.F. are concerned, we have by convention decisions over the years stated that we were in favour of a distinctive Canadian flag. May I give two illustrations. I have here, sir, the report of our thirteenth annual convention held in July, 1954, where this motion was carried:

> Resolved that, in view of existing C.C.F. policy in support of a distinctive national flag for Canada, this convention urge the parliamentary group to exert continuous pressure in parliament for the adoption of a flag at an early date.

In order to illustrate that we felt the same in 1956, I may say that at our August convention that year there was a reference to the adoption of a distinctive Canadian flag and a national anthem. The position of this group, Mr. Speaker, is therefore very clear, not only because I say so but because by national convention opinion there should be a distinctive Canadian flag.

However, there are aspects of this question and of this particular motion of the hon. member which I feel require some enlargement. I was most interested in the remarks of the sponsor of this motion when he referred to the maple leaf. It has been my privilege, sir, to be in many countries of the world during the past two years. I was most intrigued and proud to find that wherever I went with my colleagues from this house and the other place, be it the United Kingdom, Australia, Israel, Iran, Pakistan, Ceylon, Indonesia, Thailand, as soon as anyone saw the little maple leaf in the lapel of my coat they said "Canada". The

man on the street said "Canada". This indicates that already there is something symbolic to everyone in the world that means Canada, and that is the maple leaf. I hope, sir, that will not be forgotten in any consideration of a distinctive Canadian flag.

I must admit I was a little disturbed by a remark made by one of the previous speakers who, if my interpretation of his remarks was correct, indicated that the pride of Canada required that we have a distinctive national flag. I hope we are not going to consider this resolution on that basis. The pride of Canada, sir, is not in the colour or design of a flag that we may have or may have had up until now. The pride of Canada is in what the flag stands for, not the colour or design. It is what the flag stands for that is the cause of Canadian pride, not whether it is the fleur-de-lis, the maple leaf, the beaver or the red ensign.

This question, without a doubt, can be and most likely is an emotional one. I was born in England, but I have lived in Canada since 1910. There are others in Canada whose cultural and ethnic background is French, Scandinavian, Ukrainian, Indian or Chinese. In my estimation the important fact is that I am a Canadian, and this is Canada. Surely, sir, the importance of a flag is what it means, not the colour or design. I do not believe those who feel so emotional about the design feel they are any worse Canadians because their background is represented by the fleur-de-lis than I do because mine is represented by the union jack. Ever since there has been a Canada we have had a flag. We have had a flag in peace; we have had a flag in war.

This brings to my mind something about which I have thought quite a bit. I believe that one of the greatest organizations for peace and progress in the world is the British commonwealth. I have often wondered why we have not given consideration to not merely a distinctive flag for each of the individual countries that make up the commonwealth but something which would be a representation to the world of a population of 600 million people who believe in peace, freedom, prosperity, mutual understanding and international good will. It would mean a good deal more to me to have a flag for the commonwealth, recognized by all of us, flown over Canada, for that which I maintain is the purpose of a flag, than for any purpose of distinctive nationalism.

However, as I say, it is to a certain extent something of an emotional nature. If the majority of the people of Canada feel that it means more to them in our commonwealth to have a distinctive Canadian national flag, then let us have it. But let us not in this House of Commons try to consider in a motion or even to debate what form the design of that flag shall take, and I will tell you why. A few years ago the House of Commons and the Senate tried to do just that, and I think my memory serves me correctly when I say that there are now in the files in these buildings something in the neighbourhood of 1,400 designs. I believe my memory is correct.

Mr. Hodgson: Over 2,700.

Mr. Winch: The hon. member says there are over 2,700. When he spoke my hon. friend said there were 800. I remember at that time there were 1,400. Now there are over 2,700. You cannot have a referendum, I submit, on the question "which one do you want?" I know everyone was sincere in the reason behind his submission. I think I can agree that a referendum should be put to the Canadian people as to whether they feel that it is necessary or that it is going to help them to have a distinctive national flag. However, I cannot agree that a referendum should be put on the question "Do you want one of two?" That is the question contained in the motion before us.

I think this has reached the point now where the discussion is going to go on all day, as I think has occurred every year I have been here and for many years prior to that time, with no decision or conclusion being reached. I think it would be a wonderful thing if this house would now reach a decision on this matter. I believe it is a good idea to put this matter in a referendum to the Canadian people, to ask them whether they want a distinctive national flag and to let them answer that question.

However, I want to say this also. It should not be a referendum on one or two flags. No one can make a decision on this 2,700 designs that are now on file in the buildings here. I say this, and it is only my personal opinion, however, I want to put it forward as a personal opinion. There is only one way to handle the situation. If the Canadian people decide by referendum that they want a distinctive national flag, there is only one way to settle the design and that is for the government to have the intestinal fortitude—having received an affirmative vote of the Canadian people, if such is forthcoming—to reach a decision on the design and go through the necessary procedure, namely to bring a bill before this House of Commons, have it passed and sent to the Senate and passed there.

Otherwise we are going to be carrying on in the years to come as we have been doing in the past, I imagine, almost since the time of confederation. Let the people decide by referendum—and in this I agree with the sponsor of the bill—whether they want it. If they say yes, then let the government—this government or a succeeding one—have the fortitude, after all their studies and consideration, to bring in a design, have the guts to stand by it and let us pass it.

As I said, there will be backers of 2,700 designs who perhaps will not like the design chosen. There will be a few weeks or a few months of criticism and obstruction. But if I know the people of Canada at all and the way in which they react, my opinion is this. If that decision is made and passed by the House of Commons and the Senate, it will not be long before they will all be saluting the flag and will be proud of the fact that they have now obtained what they want, namely a distinctive flag.

I put that suggestion forward. In conclusion I say that this is an emotional matter. I am quite happy under the flag under which I now live. If the majority of the people, however, want something different, that is all right. It is then our responsibility to see that they get it. I hope the amendment will not be considered with a view to just putting forward a referendum on two ideas for a flag. That is why I rather like the principle of the amendment. I think this is a wonderful time to have a referendum by including it as one of the questions in the census. I want to commend the hon. member for that suggestion. I think it is a wonderful idea. But I suggest that his amendment be amended, or that he consider amending it, in order not to ask again "Are you in favour of a distinctive national flag which does not contain an emblem of any other country?"

How partisan can you get? There once again we are running into the old trouble with regard to the union jack or the fleur-de-lis. We are now getting a great influx of people from other parts of the world. On that score we are running right back into the trouble that has been bothering us all this time. I think this idea of a referendum in the original motion is good. I think the principle of the amendment with regard to having the referendum put in the census is a wonderful idea. Then if the government in the census gets the answer that Canada wants a distinctive national flag, let them have the gumption to bring in a bill embodying a design, and I think we shall then finally solve this problem of a flag for Canada.

Mr. Harris Rogers (Red Deer): Mr. Speaker, in entering this debate may I say that my remarks will naturally be brief, inasmuch as my colleague the hon. member for St. Boniface (Mr. Regnier) covered the matter rather fully and in detail. At the outset I want to say that in his remarks the hon. member for Vancouver East has made a suggestion that I think could be worked out in principle.

It is not considered good form to refer to one's background or activities in life. However, Mr. Speaker, in order to keep the record straight I think I should be permitted to do so today. I belong to that component of British origin that descended from the united empire loyalists. On tracing the lineage back one finds that it is quite a mixture. In it there are traces of Huguenot, English, Irish, Scots, Welsh and Dutch which, I submit, when all welded together have made me a Canadian and a proud one. Apart from this consideration I served in the armed forces for some nine or ten years. So altogether—let us have no misunderstanding about this—I have always been loyal to the crown and to the union jack and our membership in the commonwealth of nations. Be that as it may, in all sincerity I think the time has arrived when we should have a distinctive Canadian flag.

Geographically Canada is the third largest nation in the world. Our population is made up of peoples from all over the globe and the flow of immigrants must be kept up if we ever intend to build a nation in keeping with our heritage. The time has passed when we can sit back and be told that the British and French laid the foundations of present day Canada. During the second world war, following an accident in my first unit, I was given the honour of recruiting and organizing a second army service corps unit. I found it difficult to pronounce the names of most of the servicemen who formed that unit. Suffice it to say they were simply Canadians, and proud of it.

This is Canada, and in my humble opinion nothing could give us more confidence and national unity than a distinctive Canadian flag. We have Canadians in the services—in fact, they are ambassadors of the highest order—serving all over the world. From what I can gather, their hue and cry is for a distinctive Canadian flag, something they can cling to and something they can look to with pride.

I submit that the purpose of a national flag is to indicate the sovereignty of a nation, which I contend our present flag does not altogether do. It honours the union jack, which is an honourable symbol but not the symbol of Canada. This has been quite an issue over a number of years and dates back to 1925, as far as I can find out, when the government of the day set up a committee of civil servants to study the problem. This was short-lived, in as much as it did not

have the required representation. Subsequently to this, in the years 1931, 1933, 1934, 1935 and 1938 motions and resolutions were talked out, much as I suppose will happen today. Following this, in 1945 the government set up a committee of members of parliament and senators, the report of which was not presented to the House of Commons.

Almost concurrent with this the then prime minister, the Right Hon. Mackenzie King, passed an order in council recognizing the red ensign as our national flag. This was gradually accepted over the years, but certainly there was not very much direction to it. That is the reason why certain sections of our country have not really accepted the red ensign. In other words, we have a Canada part of which recognizes the union jack and the rest the red ensign. The history of our past efforts to get a distinctive Canadian flag indicates, I think, lack of leadership and certainly heart. I think it is fair to say that Canadians are not a boastful people. As a matter of fact they have often been accused of being too reserved.

In regard to the flag itself, there is a minority of Canadians who could not care less. There are other sections who think it is the final break with the mother country. But there are a great many others—and in particular, young Canadians—who want a distinctive Canadian flag. I think this feeling has been growing over the years, particularly following the two world wars, and has had a great deal of influence on our thinking. There is the first group, which tends to assume that what was good enough for their fathers is good enough for them, and I submit that the second group is not assessing the matter correctly.

There will always be a Great Britain, and the fact that Canada decides to have a distinctive national flag will never break our ties with the mother country. In fact, I think it will enhance our relationship with her. We should be proud of our birthplace, but our first allegiance must be to Canada. Facing the situation fairly and squarely, no one in his right mind will quarrel with the concept of loyalty to his birthplace. This does not, however, alter the fact that our first allegiance should be to Canada. And we need a distinctive flag. Nothing could instil in us more pride and confidence as a nation than a distinctive flag.

These, of course are my own personal views. In conclusion, to date there has been no opportunity to definitely assess the feelings of Canadians as a whole on this vital question. I am therefore most happy to second this motion urging that provision be made for a referendum to consider the adoption of a Canadian flag. I submit that only in this manner will each and every Canadian have the opportunity to express his views and wishes on this question, which is of such vital concern to every Canadian.

[Mr. Rogers.]

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, although I do not share the views of the hon. member for St. Boniface (Mr. Regnier), I still wish to offer him my congratulations for the splendid speech he delivered a few minutes ago concerning a distinctive national flag for Canada.

He developed his argument in a knowledgeable way, free of all partisanship. Once again, I wish to offer him my congratulations. I do not doubt his sincerity and it is in the same spirit that I want to express my own opinion.

The problem as put by the hon. member for St. Boniface has, in my opinion, two different aspects, a theoretical aspect and a practical aspect.

On the theoretical side, the effect of this resolution will be to bring nearer the adoption of a distinctive national flag by allowing this subject to be discussed in the house. On the practical side, the resolution is not the answer to the aspirations of the Canadian people, since it invites them to decide on a flag design which is not authentically Canadian.

That the Canadian people wish a flag of their own, a flag which would be free of all ties with any other country has been obvious for some time. Why then a referendum on the choice of a flag bearing the red ensign?

The question is not whether the Canadian people care to have the union jack or the maple leaf, but what design is going to appear on this emblem.

Objectively, let us say that the resolution of the hon. member would have carried more weight if it had been phrased in such a way as to call for an expression of opinion.

We know the feeling of the population, concerning the design which has been mentioned so often, the design advocated by the National Flag League, that is the white and red flag with a green maple leaf in the center.

If the hon. member's project were adopted it would contribute, contrary to the motives which inspired it, to create disunion among the different racial groups of the nation, since Canadians could not take to an emblem which would bear signs of dependence or submission to other countries.

I believe I speak for the majority of my fellow citizens when I say that we do not want a flag which would remind us of our ties with France or Great Britain, that is to say that Canadians would not accept an emblem with either a fleur-de-lis or the union jack.

This question has been under discussion here for a long time. I do not want to give the background of those discussions. The hon. member for St. Boniface has quoted many statistics which show that public opinion is ready for a distinctive national flag.

However, a real change has occurred in the last 25 years.

In 1946, 68 per cent of the people wanted a distinctive national flag. *Canadian High Life News* under date of January 25, 1955, reported on a questionnaire circulated among the students. Here are the results: 86.8 per cent of the boys were in favour of a distinctive national flag and 80.7 per cent of the girls were of the same mind.

I am pleased to support the amendment introduced by the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis), because I feel the question should not be asked at a general election but rather during the next census to be held in June. We were told that new forms are to be printed for the census. May I ask the house then why that question inquiring whether or not the Canadians are in favour of a distinctive national flag should not be included in the form?

Another reason that should prompt the hon. members to vote for the amendment put forward by the hon. member for St. Jean-Iberville-Napierville is the fact already mentioned that 95 per cent of the candidates in the 1945 general election declared themselves in favour of a distinctive national flag, while 3.7 per cent were against it. The others did not answer the questionnaire distributed before the 1945 election.

The whole nation calls for an emblem showing that Canada is now an adult nation and a completely independent country.

There are, however, exceptions and this is understandable. There are a few citizens who do not wish a distinctive flag for Canada but they are a very small minority.

I am happy to be able to say in this house that those people are not to be found in the ranks of the Liberal party, as evidenced by the resolution adopted by the party at its recent rally, to the effect that it would give Canada a distinctive flag two years after coming into power. It will therefore happen in 1964 or 1965, just in time to celebrate the centenary of confederation.

A noteworthy fact is the clear position taken on this issue by our leader. Indeed, both in newspapers and on television, he has put himself on record as being in favour of a distinctive national flag. He was not afraid to make that question part of his electoral program in 1958 and to talk about it from coast to coast. What position was taken by the leader of the government since he was chosen to lead his party? What are his views on the question? He would certainly like us to forget what he said in 1945 and which it is unnecessary for me to repeat in this house.

Mr. Pigeon: What about Mr. Pickersgill?

Mr. Dupuis: I referred to Newfoundland earlier, but you were not in the house. You are never here. If you want to hear all that is said, stay in the house.

Mr. Boulanger: Mr. Speaker, the hon. member for Joliette-L'Assomption-Montcalm has put the same question at least ten times. We heard it, but it is not worth answering.

Mr. Pigeon: You are incapable of answering it.

Mr. Boulanger: During this debate, we may have an opportunity to hear the Prime Minister's opinion. It is the Prime Minister's opinion that we would like to hear, not that of the hon. members'. When will we hear it? He has today the opportunity to make known to the house what he thinks of the issue. Will he have the courage to do it?

I wish to recall a resolution which does great honour to the one who introduced it. That resolution was put forward during the 1956 Conservative convention where the present Prime Minister was chosen as leader of the party. It was introduced by the speaker of this house (Mr. Michener) who tried to have a resolution passed in favour of a distinctive national flag. Here is the resolution:

> We have proclaimed that Canada is an independent nation. We sit at the United Nations as an independent nation. We went to war as an independent nation.
>
> I am sorry to see that the Conservatives do not have the courage and the wisdom to introduce such a resolution.
>
> The time has come to say to our children: here is our Canadian flag; it was denied to you by the Liberals but the Conservatives gave it to you.

Such an attitude is a credit to him and I must congratulate him for his courage in moving this resolution at the Conservative convention in 1956.

Mr. Speaker, I have taken part in a discussion concerning the adoption of a distinctive Canadian flag maybe five or six times. I have

never suggested any particular design and I agree with the hon. member from Vancouver East (Mr. Winch) that what we want is not a design but a symbol. A symbol which will represent the whole nation, its pride, its unity, its maturity and its hopes.

It is the government's responsibility to give it to us.

These are the reasons, Mr. Speaker, why I support the amendment moved by the hon. member for St. Jean-Iberville-Napierville, and I hope it will be passed.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I rise on a question of privilege. Following an interruption in the course of the speech made by the hon. member for Drummond-Arthabaska (Mr. Boulanger), the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) said that I never attended the sittings of this house, which is not true. If one were to take a count of all the votes recorded since I have been a member of this assembly, one would see that if a member attends faithfully the business of this house I am certainly the one, and I feel that the remarks he made about me should instead be directed to the member for St. Jean-Iberville-Napierville.

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, in connection with the question of privilege, I should like to point out to the house that in the case of the hon. member for Joliette-L'Assomption-Montcalm, his body is here but his mind is away.

(Text):

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to speak to this resolution let me say at the outset that I have listened to discussions on this subject in this house for the past three years. On the basis of my study of the question I understand it has been raised since 1925, for about 35 years. I personally am satisfied with the flags we have in Canada but apparently the question of whether Canada should have a truly distinctive flag is a subject of continuing interest.

The resolution suggests that we should have a referendum. I do not think it is necessary to go to the trouble and expense of doing so when we will be taking a census this year. I agree with the hon. member who proposed an amendment to the resolution. In the census I believe the only question that should be asked is: Are you in favour of a truly distinctive Canadian flag? That is the first question that should be answered. If the answer is overwhelmingly in the affirmative then the government in power should have the courage to decide on a truly distinctive flag. It could establish a committee such as the one that met in 1945-46, if it wishes. I am convinced that those who expressed themselves in the census as wanting a flag would accept the design on which the government of the day decided.

I do not think the matter should be dropped there because we sometimes see the work dreamed up by artists which can only be described as weird. Surely an artist in designing a flag should adhere to simplicity and present a design that is well known and recognizably representative of Canada, one that would be recognized and accepted the world over. I think a flag must be emblematic of the country it represents so that it will not be mistaken for the flag of another country.

As I mentioned before, the flag should be of simple design. We would not want anything bizarre or complicated which would detract from the flag and create confusion as to what it represents. I think a truly distinctive flag would bring greater unity in Canada and that all Canadians would pay their allegiance to it if a design were brought in and presented by the government following exploration of the question through the census.

The idea of a distinctive flag for Canada has been suggested over the years and the question has had the continuing support of the armed forces. I believe the question will always interest them. The union jack has been suggested as our flag. A long time ago I learned in school how the union jack originated. It is a composite design embodying the cross of St. George, and the emblems of those countries making up the British Isles. They were all put together and the union jack came into being. Since Canada is no longer a colony of the British empire the union jack is not a Canadian flag in any true sense. I am told that the red ensign is a flag given to Canada for its merchant fleet. While this is all right I do not think it is representative of all of Canada nor should it be taken that way.

Previous speakers have mentioned that some countries of the world are in doubt as to what is the Canadian flag. I have met people from the United States who were visiting Canada and who, seeing the union jack flown here, have expressed the opinion that Canada still owes some allegiance to Great Britain and is tied to her apron strings, as it were.

Some people accuse Canadians, this government and politicians on both sides of the house of becoming too nationalistic. I think that is an exaggerated accusation. I believe that Canadians should be able to speak their

piece without being accused of being anti-American, anti-British, and so on. We are Canadians, we speak from a Canadian point of view and this fact should be accepted by other countries. I am certain there would be greater acceptance, particularly in the United States, if we had a truly distinctive flag.

I think that any attempt to include the union jack or red ensign in the flag would merely degrade two well known and honourable flags. Between now and 1967, when Canada will celebrate its centennial, we hope that Canada will continue to grow in stature and as a nation. Right now the provinces are meeting with the federal government in order to work out ways by which Canada can amend the British North America Act without having to go to the British government for final approval of amendments. When this day arrives I think we will have passed another milestone in becoming a truly independent nation, and surely when we pass that milestone and celebrate our centennial we should feel entitled to have a truly distinctive flag.

A great many people come to Canada from the United States, Great Britain and other parts of the world and they accept the Canadian standard of living and all we have to offer to them, but when the question comes up of their becoming citizens of this country and avowing their allegiance to it it seems that they still think a great deal of their motherland. They still think that perhaps there is nothing wrong with the good old United States and they are somewhat dubious about whether they should take out Canadian citizenship although some go ahead and do so. If we were a truly distinctive country with a truly distinctive flag and saw to it that those who took out citizenship understood what our flag stood for, what our national anthem was and so on, I think they would value their citizenship more. I know that if you spend five years in some countries you are asked rather politely to consider becoming a citizen and if you say no they want to know why not.

Canada, as I have said, is becoming a nation more and more every day. At times the former government and the present government have found themselves in disagreement with Great Britain or the United States, and as far I am concerned that is all right. Certainly we should be able to declare ourselves one way or the other with no strings binding us to any country. Mind you, I am in complete agreement with the drawing up of treaties and agreements with other countries, but we should have a distinctive flag which would symbolize Canada as a nation. As a mature and growing nation of over 18 million people, the period of the next five years is the time when we should consider this question and solve it.

Canadians should be proud of being Canadians, of belonging to a country with a truly distinctive flag, an independent country ready to voice its criticisms to the United States or to any other country in the world with no fear of being accused of being anti-American or anti-communist or anti-anything else. Certainly we should have the right to make up our own minds as to how we wish to amend the British North America Act and whether we want to have a flag that sets us apart as belonging to the commonwealth or to any other group of nations.

While I do not support the idea of a referendum as put forward in the resolution, I support the idea that we should have a distinctive flag and that a question should be perhaps included in the census such as: Are you in favour of or do you think that Canada should have a truly distinctive flag? If it were put in that manner I think it would be wide open for those who want to retain the present flag and those who want a new one to express their views. If the majority voted in favour of a new flag then the people generally should be willing to accept it and place their faith in the government to have someone design a properly distinctive flag which would be truly symbolic of Canada.

Mr. N. L. Spencer (Essex West): Mr. Speaker, my remarks with regard to the resolution and the amendment will be quite brief. First of all, I should like to congratulate my colleague, the hon. member for St. Boniface (Mr. Regnier), for bringing this resolution before the house and also for the great deal of research and time he must have spent in gathering together the facts and other information which he imparted to the house. He told us of the efforts over the years to obtain a distinctive national flag for Canada. To that extent I support his resolution because I believe as he does, and as everyone else does who has spoken in the debate so far, that we should have a distinctive national flag.

However, I agree that there is some objection to the terms of the resolution, which was pointed out, of course, by the mover and seconder of the amendment. I understood the substance of their remarks to indicate that there was an objection to the limitation placed upon the referendum in that citizens when called upon to express their opinion only had a choice between two flags. I agree that there should be no such limitation.

Likewise, however, I cannot support the amendment because I believe it is objectionable for the very same reason in that it asks for an expression of opinion with respect to whether citizens are in favour of a distinctive national flag that does not include the emblem of any other country. Surely, Mr. Speaker, that is a limitation that is wholly unnecessary and which in my opinion destroys the objective of the amendment, namely to secure an expression of opinion respecting whether the majority of the people of this nation desire a distinctive national flag.

I for my part am in favour of a distinctive national flag but I cannot say that I would be opposed to including in that flag some emblem that would be significant of our ancestry and of the two nations which have contributed so much to this nation. I therefore believe, as was pointed out by the hon. member for Vancouver East (Mr. Winch), that first and foremost we must put this simple question, are you in favour of a distinctive national flag?

Before I conclude, I should make some reference to the impression which has been left that the red ensign is not in any way distinctive or symbolic of this country. The red ensign certainly is a flag that is distinctive. In my opinion, it is also a flag which is national in this aspect, that it relates to and is symbolic of Canada. It may be slightly confusing when compared with the flags of some other nations of the commonwealth, but certainly no one would say that the red ensign is symbolic of any nation other than Canada. I believe that our armed forces over the years have fought and died under this flag. I do not believe it is mistaken in any way for the flag of any nation other than Canada. I agree also with the hon. member for Vancouver East in his references to the maple leaf. Certainly, over the years the maple leaf has been established as emblematic of Canada.

I suggest that if we get an expression of opinion as to whether Canada should have a distinctive national flag, that expression of opinion would be very strongly in the affirmative. If we were to stop at that point we would have settled nothing. Studies which have been made in regard to a national flag indicated there were some 2,700 different designs. I am quite sure we would never arrive at that degree of unanimity that would enable us to come up with a design that would be supported by the majority of the people to the exclusion of other designs. However, having regard to what I have said about the red ensign, and to what I believe to be a considerable body of opinion in favour of the red ensign, I believe the second question on the referendum should be whether or not you are in favour of the red ensign as a Canadian flag. I know there is considerable opposition to it, but the suggested referendum in the motion now before us does include the red ensign and I certainly approve of that portion of the resolution.

After having asked for an expression of opinion as to whether there should be a distinctive national flag, the individual as I have said should be asked whether he is in favour of the red ensign. Unless there is a preponderance of opinion in favour of the red ensign, then consideration ought to be given to some design for a Canadian national flag which would attract greater support than may be manifest in so far as the red ensign is concerned.

So, Mr. Speaker, I conclude by saying that I certainly commend the mover and seconder of this resolution upon bringing this matter before the house. I like the idea of a referendum. I believe this is a matter which could better be dealt with by the rank and file of the people. We who sit in this house have our personal ideas in connection with this matter, but we may be a bit prejudiced or a bit biased in our point of view. We should not be unmindful of the fact that it cannot be said this country is composed primarily of people of French or English ancestry. This country is more and more becoming populated by peoples from all parts of the world. Since the last war, there have been over two million immigrants to this country, and we are more and more taking on the aspects of a truly Canadian nationality. I think it is desirable, therefore, that the people as a whole be consulted on this question and given the opportunity, as indicated by this resolution, of expressing their opinion on an important subject which has been bandied about in this house for so many years without any results being achieved. If for no other reason, the mover of this motion should be commended for bringing forth the idea of a referendum, because a referendum will at least represent some progress toward finding a solution to this problem which has been causing so much concern over so many years.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to make a brief contribution to this debate and express some views concerning this resolution.

Let me, first of all, congratulate the hon. member for St. Boniface (Mr. Regnier) for moving this resolution. I should also like to extend the same congratulations to two other members of this house, namely the hon. member for Drummond-Arthabaska (Mr.

Boulanger) and the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) who have both brought in similar resolutions. One of these has been discussed in two previous sessions; the other, in the form of a bill, is now on the order paper of the house.

The resolution moved by the hon. member for St. Boniface reads as follows:

That, in the opinion of this house, the government should consider the advisability of introducing a measure to provide for a referendum concerning the adoption of a Canadian flag.

That the questions submitted in said referendum be as follows:—Are you in favour of a flag consisting of (a) a green maple leaf on a red and white field, or, (b) the red ensign.

I believe, Mr. Speaker, that it is a good thing to discuss this question in order to have a general idea of how hon. members feel about it. So far, I have heard no one oppose the idea of a national distinctive flag. However, it seems to me that the formula suggested by the hon. member for St. Boniface (Mr. Regnier), in the second paragraph of his resolution, will not give the results he hopes for.

The reason for this is because, as was pointed out by several members, the choice is limited to two designs: on the one hand, the maple leaf on a red and white field and, on the other hand, the Canadian red flag, that is the red ensign.

In all likelihood, many symbols are as good as, if not better, than those mentioned by the hon. member.

Furthermore, under such a scheme, it might well happen that at the time of the referendum, 51 per cent of the people would vote for the design with a green maple leaf on a red and white background, and 49 per cent for the red ensign.

What would the government do in such a case? Would they consider the majority adequate to reach a conclusion?

That is why I prefer the formula put forward by the hon. member for St. Jean-Iberville-Napierville in his amendment. The question should be included in the next census, next June. Then it would be put in different terms:

Are you in favour of a distinctive national flag bearing the symbol of no other country?

It seems to me that this amendment, first is more in keeping with the wishes of the Canadian people, in view of its phraseology, and second, that it would allow an expression of opinion by the people in a relatively short time, as the census is to be conducted in a few months.

Mr. Georges Valade (St. Mary): Why did you not do it in 1951?

Mr. Chevrier: I would point out to the hon. member for St. Boniface, who no doubt moved this motion in good faith, that at the time of the Progressive Conservative convention in 1956, the following motion had already been put forward:

That the Conservative party affirm its immediate support for the adoption of a national flag for Canada.

The word "distinctive" is not contained in the resolution, at least not according to the report I have before me, which is taken from the Ottawa *Journal*, a Conservative newspaper, for December 13, 1956.

Therefore, it seems that the motion of the hon. member for St. Boniface does not take into account the resolution submitted at the Progressive Conservative convention in 1956. That convention merely expressed vague support, whereas this resolution suggests a referendum.

That is why I repeat what I said earlier: in my opinion this amendment adequately provides for the present situation.

Mr. Speaker, there is also another matter that I would like to raise in the house, and it is this: by virtue of the law at this time, it is up to the parliament of Canada to select and design a distinctive Canadian flag. If such is the case then, our present government after more than three years in office has not yet decided or has not yet come to the conclusion that it must implement the resolution however vague adopted by their party.

I was asked a moment ago: Why did your party not take action when they were in office? Well, I think that 30 years ago, it would not have been possible to adopt a national distinctive flag, because the people of Canada were not prepared to accept it. It was the same thing in 1945 when the government of the day established a joint committee which, after considering the matter during several sittings, could not reach unanimity. As a matter of fact that was what prompted Mr. St. Laurent to state in this house regarding the Liberal party's stand that a flag was meant to be a symbol of unity, not a sign of disunity. National unity would be prejudiced if part of the people of this country imposed its choice upon another important element of Canada. That is why Mr. St. Laurent's government could not possibly have initiated such action at that time.

However, in recent years, as a result of the progress accomplished towards national unity, and also because of the petitions submitted by many organizations throughout the

country, and because at the United Nations and abroad, Canada has no distinctive emblem, as was pointed out by the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis), and as a result of many Gallup polls carried out throughout the country confirming the fact that a majority of Canadians are in favour of a distinctive national flag, I believe that Canadian public opinion has developed to the point where today a very large majority of Canadians do want a distinctive national flag.

Therefore, we feel that parliament should accede to this expressed wish with the shortest delay. We have repeatedly raised that point in the House of Commons.

The hon. member for Drummond-Arthabaska and others have raised the point in two or three sessions; in each instance, the debate dragged on endlessly until the end of the sitting, making it impossible for the house to reach a decision.

As was mentioned by the hon. member for Vancouver East (Mr. Winch) a moment ago, had this matter come to a vote in the house, I am sure that a majority of the members would have come out in favour of a distinctive Canadian flag. I would add that if the resolutions submitted by hon. members on our side had been accepted, the government could have taken action.

That is why, during the great rally held in Ottawa early in January, the Liberal party definitely committed itself to giving our country a distinctive national flag within two years of its coming into office.

I would not like at this time to enter the realm of contention but I could, if I wanted to, put on record a series of statements, starting with those of the Conservative members who used to sit on this side of the house, but who have now emigrated to treasury benches, statements in favour of a distinctive Canadian flag, although since their coming to office they do not seem to have made any progress in that direction.

Earlier, the hon. member for Bonavista-Twillingate (Mr. Pickersgill) was asked what he thought of this resolution. The answer to that question is simple. Give the hon. member for Bonavista-Twillingate a chance to make his decision known. Cut down on your remarks and let him express his views on the amendment submitted by the hon. member for St. Jean-Iberville-Napierville, and on the resolution of the hon. member for St. Boniface (Mr. Regnier). Those who put that question to him will then immediately see that the hon. member for Bonavista-Twillingate will support the amendment of my hon. friend the member for St. Jean-Iberville-Napierville.

[Mr. Chevrier.]

I said at the outset that I wanted to be brief. It is still my intention. I rose only to express those few opinions, and in closing I say that, under the existing law of parliament, by virtue of the powers of this government, if we are to have a distinctive national flag, it is up to the government, either by the establishment of a committee or by some other means, to give it to us. I believe that those who spent much of their time criticizing the former administration instead of giving us a distinctive national flag, had better address their claims and their representations to the government that sits to the right of Mr. Speaker. If they did that, we soon, might have a distinctive national flag which I think, the great majority of the Canadian people want.

Mr. V. F. Dubois (Richmond-Wolfe): Mr. Speaker, the resolution moved by the hon. member for St. Boniface (Mr. Regnier) is such as to command, in a very special way, the attention of all Canadians. It reads as follows:

> That, in the opinion of this house, the government should consider the advisability of introducing a measure to provide for a referendum concerning the adoption of a Canadian flag.

The hon. member for St. Boniface would like to have the two following questions asked: 1. Are you in favour of a flag consisting of a green maple leaf on a red and white field; 2. Are you in favour of the Canadian red ensign?

The first question has to do with a distinctive national flag, while the second would ask for a vote in favour of a flag denoting Canada's attachment for England.

Why those two questions? I believe the hon. member for St. Boniface should have asked only one question, that is: Are you in favour of a distinctive national flag? Then, the government would have the responsibility of choosing the kind of flag suitable for our country, according to the result of the referendum.

Since July 1, 1867, Canada is a democratic country under the British North America Act. It has the right to make its own laws, to choose its representatives through consultations in order to form a government. Since then also, it rests with Canada to select a flag suited to its essentially Canadian character. Furthermore, under the Statute of Westminster of December 11, 1931, Canada has become an independent and sovereign country. Since that time, we have our own supreme court. The cases that used to be referred to the privy council in London are now heard in Canada.

The Canadian government appoints its own Governor General who is chosen from among the most distinguished citizens of Canada. I am proud to commend the Right Hon. Prime Minister (Mr. Diefenbaker) for having given the Canadian people as a second Canadian Governor General, His Excellency Georges Vanier, a career soldier, who not only has done honour to our people on the battlefields but who also is a great French Canadian of the Catholic faith.

Canada has ambassadors and consuls in a great many countries. It is represented in the United Nations by an important delegation. Canadian observers are sent to international conferences of interest to our country.

Everywhere Canada is represented by men of great merit whose ability is beyond question, but there is no Canadian flag symbolizing our country and permitting our representatives to be identified.

On September 26, 1960, the Prime Minister of Canada delivered a magnificent speech against the communist bloc before the United Nations General Assembly. Knowing how successful he was in putting Mr. Khrushchev out of countenance, and having regard to the wide approval he gained in the free world, don't you think he would have been proud to see the flag of his beloved country for which he exerts himself so much waving over the U.N. building?

Canada has taken part in two world wars. Our soldiers have fought in Europe and in Asia. However our forces have never been able to fight under their own flag, but had to serve under some other country's colours. Nevertheless, our soldiers did not fail to distinguish themselves on many occasions by winning signal victories. We have in this house members who fought in both world wars. They had only a foreign flag in which to bury their comrades in arms who died on the battlefields.

Is it not the prime concern of some of the colonies achieving independence to give themselves a flag of their own?

Is the referendum suggested by the member for St. Boniface really justified? That is the point to which we must give our attention at the present time.

Different associations have already carried out surveys of public opinion. In 1958, the Canadian junior chamber of commerce held a referendum in all its branches and in all localities where a chamber of commerce is to be found. On July 3, 1959, it made public the following results: 79 per cent of its English-speaking members voted in favour of a distinctive national flag, while 78 per cent of the citizens of those localities declared themselves in favour of a flag. The report of the French-speaking chambers showed a 100 per cent vote, among both members and citizens, in favour of a distinctive national flag. An ever increasing unanimity is to be noted in that regard. All our French-Canadian organizations, which so efficiently uphold the interests of their members and of their fellow citizens in every country are asking for a distinctive national flag for the whole of Canada. They are not asking either for the union jack or fleurs-de-lis on our future Canadian flag.

Even the senior chamber of commerce of Canada, at its October 1958 convention, adopted a motion asking for a distinctive national flag.

Canada is a great country, playing an increasingly important part in international affairs. We are approaching the centenary of the confederation, which will be celebrated in 1967. We must reach unity on the one design of a flag which will be ours, without any tie, without any narrow and petty partisanship, in accord with the sovereignty of Canada, a distinctive national flag.

We must give the hon. member for St. Boniface the credit he deserves for introducing a motion to ascertain the public views and also for presenting a comprehensive and well-ordered argument. I extend to him my most sincere congratulations for having discussed the question of a national flag and for having done it so broadmindedly in order to reach the ultimate goal of a distinctive national flag for our country, Canada.

I express in this house the wish of all my constituents: that Canada be provided, as soon as possible, with a distinctive national flag. It is a subject of glory and pride for every people, a distinctive sign which, through the symbols that appear on it, invites respect from other powers.

The hon. member for Drummond-Arthbaska (Mr. Boulanger) and the hon. member for Laurier (Mr. Chevrier) mentioned the Liberal party motion adopted during their convention in January to the effect that their party would give Canada a flag two years after assuming power. In the first place, the Liberals will not assume power after the next general election nor in the following ones because the people of Canada know only too well the value of promises that never materialize.

Besides, although the Liberals were in power for 22 years, they never gave Canada a flag which it could really call its own.

I remain convinced that the hon. member for St. Boniface, as a Canadian is a great patriot who proclaimed himself in favour of a distinctive national flag.

I feel, however, that a referendum is not necessary, but that it is the responsibility of the government to give the Canadian people the distinctive national flag they want so much.

I have confidence in this government, and I am convinced that if it does not manage to provide Canada with such a flag many other governments will come and go before we can have a national flag of our own.

Mr. Alfred Belzile (Matapedia-Matane): It is with great pleasure that I rise, Mr. Speaker, to make a small contribution to the debate on the resolution now before the house and which was put on the order paper by the hon. member for St. Boniface (Mr. Regnier).

This resolution does in no way call for the opinion of experts, but rather for the opinion of true Canadians. It is therefore my duty to make known my personal views on this always timely subject, and I may say that these views undoubtedly reflect the ones held by almost all those I have the privilege of representing here.

May I say, Mr. Speaker, that I am in complete agreement with this resolution, for a number of reasons I shall now make known.

This matter of a flag has been repeatedly dealt with in this house. Different views on the subject have been expressed in all parts of the country by many representatives from various political parties. But it is encouraging to note a growing tendency to favour a distinctive national flag displaying no emblem recalling any country other than our own. This is a development which is welcomed by all Canadians who have patriotism and national pride, for it fosters the best of unity.

While retaining great respect and great admiration for our forefathers, for the traditions they have left us and also for the culture, the faith and the language that have come to us through generations, we should not forget that we are first and above all Canadians.

We all recognize Canada as our country. We love and revere Canada. Thanks to the efforts of the preceding generations, and to the constant work of the present generation, Canada has shown a remarkable economic and cultural development in a relatively short period of time. A former colony, we have rapidly developed into a country whose importance is recognized the world over, a country which is proud of the independence it has conquered within the framework of the commonwealth. Our contribution to the fight for peace and freedom in two great world wars has won the admiration of all free nations. We are universally recognized as a mature and proud nation where two great cultures exist in complete harmony and which have both contributed to the greatness and development of Canada.

Being a mature and independent nation, we must act accordingly. Any nation that can play the part which has been ours for more than a quarter of a century among the free nations of this world must, if it really possesses the proud feelings so generally acknowledged, behave and act as a proud and free nation.

Can we really be the people we pretend to be when, unlike other nations of equal importance and even unlike nations that have not yet reached the degree of maturity of our country, we are still without a national flag, an emblem of our own, a symbol of our pride and independence?

Why this anomaly? Why are we so short on Canadianism? The answer is obvious. If every one of us had refrained over the years from making this matter of a flag a political football, and if we had made an effort, harmoniously and dispassionately, to find an answer to this important problem, there is no doubt that by now Canada would have a national and distinctive emblem. Sad to say, however, our political feelings have been stronger than our patriotic feelings. This is a cruel truth, I agree, but I for one will have the honesty to confess it publicly.

On this question which has seemed to us to be one of the thorniest, we must admit, to our shame, that we have too long questioned the patriotism and the intelligence of all our fellow citizens, of whatever origin.

Sometimes, we were afraid to hurt the feelings of a certain section, at other times we had to cater to the extreme nationalism of another section of our population. However, whatever the reasons which dictated our attitude, the main one at all times was the thought of possible effects on the outcome of the elections. In all cases, unfortunately, we seemed to have forgotten that, before the thought of garnering votes, and because we were either of French or of English origin,

it was our imperative duty, above everything else, to be Canadians worthy of the name.

Today, however more than ever before, we must realize that the prejudices we had yesterday have disappeared, that our conflicting opinions are not as far apart as they were in the past, and that due to our better understanding of that nature of true Canadianism, we are about to fully agree on the matter.

In 1945, Mr. MacKenzie King, then prime minister of Canada, surely with a view to please an increasingly wide-awake public opinion, promised, during the election campaign which was to bring him back to power, to have a national flag adopted by parliament. Moreover, the same promise was to be found in the speech from the throne of that year delivered at the opening of the first session of the new parliament.

That same year, a joint committee of the Senate and of the House of Commons was appointed to study and report on the choice of an appropriate and distinctive design for a national flag for Canada. Twelve members of the Senate and 25 members of the House of Commons were on that committee. They represented various political groups.

The setting up of that joint committee of both houses aroused a keen interest among the Canadian community; from all over the country, Canadians of all racial origins sent to that committee designs they thought should be accepted as our distinctive symbol.

By May 9, 1946, 2,409 different designs had been laid before the committee and the great majority of them positively indicated that our proposed national flag should bear no symbol of a country other than ours, in spite of the fact that the two most important racial groups in Canada still had ties, though remote ties, with Great Britain and France. In order to prove the truth of the statement I am making, which, moveover, the debates of that time will bear out, let me say that of the 2,409 designs proposed, 1,611 had the maple leaf as only symbol, 383 had the union jack, 231 had stars while 184 designs suggested the fleur-de-lis.

In 1946, Mr. Speaker, a movement of sound Canadianism could already be felt all across the country. The great majority of Canadians already recognized the importance of showing our maturity and independence in that respect. More than 15 years ago, Mr. Speaker, Canadians of all origins, increasingly proud of their country, wanted to show their pride in being first and foremost Canadians. The heartening development I mentioned at the beginning of my remarks had made itself felt in an unequivocal way.

Unfortunately, after two years of discussions, the committee that had been formed to study and report on the question, had failed to reach unanimity on the choice of a distinctive flag for Canada. As we all know, the whole thing was to be forgotten, to the great dismay of the majority of well-thinking Canadians.

In 1948, Mr. Louis St. Laurent, not only assumed the leadership of the Liberal party, but also assumed the important functions of prime minister. This was sufficient to revive the question of a national flag. On all sides, constant pressures were made urging the new chief of state to re-establish the joint committee and to give our country as soon as possible a distinctive national flag, the symbol of our legitimate pride and of our absolute sovereignty.

Mr. Speaker, it is six o'clock.

(Text):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. Belzile: If you will allow me, Mr. Speaker, I should like to resume the speech I had begun before recess.

In the face of an aroused and constantly alert public opinion, Mr. Louis St. Laurent, as leader of the government and of the Liberal party, on the opening of the election campaign in Winnipeg, in 1949, undertook to give our country a distinct national emblem which would be the glory of all Canadians. More than 3,000 persons were present at that meeting, including some members who are now sitting in this house. The newspapers of the time did not fail to report the prime minister's words. However, that formal promise, which all Canadians generally and the Liberals in particular had warmly applauded, was, once again, to fall by the wayside along with many unfulfilled Liberal promises. Since then and until 1957, while the people showed their disapproval, our friends opposite and their predecessors deliberately forgot that promise, and left in the limbo of oblivion the joint committee they themselves had set up and then buried.

Flags of Canada

It is obvious that a distinct national flag for Canada is more than ever in demand. Many associations and groups of all kinds are constantly sending resolutions to that effect to members of this house. Then too, many people who at one time were asking that our flag bear emblems of other countries, have now changed their minds.

Early in December of 1958, in Victoria, B.C., the junior chamber of commerce of Canada, then meeting in annual congress, took a vote on the matter of a distinctive national flag. The results of this vote, which deserves attention, was as follows.

Out of 2,400 members of that chamber who replied to the question, and among English-speaking members only, 79 per cent approved the project of a Canadian flag which would bear the emblem of no other country. On that same occasion, as a result of a vote taken among the public, also of English origin, 78 per cent of the 3,800 persons consulted gave the same answer.

More recently still, that is, at the Calgary Stampede last year, the young Liberals of that city also put the matter to a vote among the thousands of people who attended that always popular sporting event. And, Mr. Speaker, 77 per cent of those who voted were categorically in favour of the maple leaf on our flag, repudiating all other emblems belonging to other countries.

Let no one tell me that the majority of English-speaking fellow citizens are against the adoption of a distinctive national flag; the facts I have just referred to sufficiently contradict those who dare make such a statement.

All Canadians are asking themselves this question: How is it that a country such as Canada, which plays such an important role among the free nations of the world, does not yet have a strictly distinctive emblem which would show to the world its pride and sovereignty?

A flag, Mr. Speaker, is not only a sign of independence, it is first and foremost a symbol of pride and unity. It is our duty to show our pride to the face of all peoples of the globe. Since the Conservatives came to power we have achieved a degree of unity greater than it ever was before, and it surely exists among all racial groups forming our vast and beautiful country. It even symbolizes a magnificent example of co-existence and sincere co-operation between various cultures, which are none the less important to the greatness of our nation.

[Mr. Belzile.]

The patriotic and historical action we have taken today will, I am sure, bring us the eternal gratitude of our fellow citizens and more particularly of the future generations. More than ever, and while preserving unfailing ties of friendship with regard to the nation which was once their mother country, Canadians are now loudly and proudly claiming to be Canadian citizens. As to those who, each year, elect our land as their country of adoption and of choice, the very fact of their coming here to live eloquently shows that they want to have Canada as their true and only country, for themselves as well as their descendants.

Mr. Speaker, I shall not further delay the discussion on this important resolution so that all my hon. fellow members who want to do so may take part in it. In concluding my remarks I want to tender the hon. member for St. Boniface the most sincere and fully deserved congratulations for a deeply felt patriotism which does him credit. I sincerely hope that, on both sides of this house, and in spite of our differences, we may, on a question which transcends political disputes, show complete unanimity, for the greater edification of every Canadian.

It would certainly not be too bold a wish to hope that Canada will soon be endowed with a national flag.

This will give our government the opportunity to select an essentially distinctive emblem which would truly answer the justified hopes of most Canadians. That flag which is our aim, will, apart from being the symbol of our national unity, rally all men of good will in a collective effort which will further prove the ascending march of Canada towards its destiny.

(Text):

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise because I have a few words to say on this resolution. Let me say first I think it is a good thing, whether or not we come to a conclusion tonight, that we discuss this question. It shows we are interested in a subject which is of interest to many Canadians. I must say, first of all, that I find myself unable to support the resolution because it asks for a referendum. The question asked is:

> Are you in favour of a flag consisting of (a) a green maple leaf on a red and white field, or, (b) the red ensign?

I do not believe the matter is as simple as that. In my opinion, you cannot decide on a satisfactory, distinctive Canadian flag by submitting to a referendum two designs of this type. However, Mr. Speaker, the resolution introduced by the hon. gentleman does provide an opportunity for the annual presentation of ideas on this question, and the discussion does bring forth some new and on occasion, as previously this session, distinctly novel ideas.

Recently I read in the newspapers about the great Liberal rally. The drums sounded, the horns were blown and the brass was there. They passed a resolution in favour of a distinctive national flag. Where are the brass this evening? Where is that great proponent of Canadian babies, the hon. member for Bonavista-Twillingate (Mr. Pickersgill)? Where is the leader of the official opposition? Where is that very capable and likable member for Essex East (Mr. Martin), that gentleman who speaks so fluently in both languages and who has had an experience in life denied to many of us, having a good knowledge of French-Canadian culture and an intimate association with the other cultures of this country?

I cannot understand why, Mr. Speaker, after passing that resolution, after its publication in the press of Canada, these hon. gentlemen do not seize the opportunity presented to them tonight to advocate and support, whether or not they agree with the motion, the need for a distinctive national flag for Canada. Once again they have failed to take advantage of the opening of the door of opportunity, even when it was opened by a government member.

Having said that, I want to say a few words on this resolution to express my personal opinions and, I trust, make some contribution to the debate. I am delighted to see the hon. member for Lincoln (Mr. Smith) listening so carefully to what I have to say. I happened to be a member of the flag committee in 1946 which went very thoroughly into this question and, strangely enough, at that time came to a conclusion. The one member who differed from that conclusion was Mr. Lacroix. At that time we accepted the red ensign with the union jack in its fly, less than one quarter size, and the maple leaf imposed on a white background. We were told by those skilled in heraldry that as long as the union jack was a little less than a quarter size in the fly, it did not indicate domination by another nation. I forget the details, but I think the maple leaf on the white background was symbolic of Canada, and the union jack indicated that Canada was a member of the British commonwealth of nations.

This committee reported, but the report never came before the House of Commons. There were some influences at work behind the scenes. Apparently the prime minister of the day got cold feet later in the proceedings, and nothing happened. We have had quite a number of discussions since that time. I cannot go into all the bills that have been presented, but I think one of the most interesting was known as the Hollingworth bill, presented by a Liberal member in 1955. This hon. gentleman suggested that the secretary of state should be authorized to prepare a design for a distinctive national flag for Canada, and submit the same for approval of the government of Canada. During the discussions the hon. member was supported by a number of his colleagues in the house. At least it was a constructive suggestion, but the government of the day failed to take action on the bill. Personally, and I think my colleagues at that time, expressed the opinion that this was not a satisfactory way of providing a distinctive Canadian flag. There was a good deal of discussion on the bill, but that was the last we heard of it. That was the Hollingworth bill.

Later on a bill came before the house known as the Lincoln bill. I have great respect and admiration for the hon. member for Lincoln. Every time I listen to his interesting and musical burr I can smell the heather; I see the swish of kilts and I can hear the drone of the bagpipes. I give him full marks for the best of intentions and for being an excellent Canadian citizen and member of this house.

You know, Mr. Speaker, I want to say right now that the hon. gentleman achieved a distinction by introducing this bill. Some persons achieve distinction by birth; others achieve distinction as a result of great achievements in the public service, something after the fashion of the hon. member for Essex East. Some people achieve distinction as a result of their accomplishments in science and other fields of activity. However, it was left to the hon. member for Lincoln to achieve distinction in a most unusual and unique way. He achieved distinction by introducing a bill into this house 300 years too late. He should have been a member of the executive council of 1760 instead of the House of Commons in 1960. However, I give him full marks for good purpose and good intentions. I am sure I can speak for the united opposition when I say that I have their permission to bestow upon him the accolade of the royal and ancient and honourable order of Rip Van Winkles.

I want to express a few opinions with respect to this question. I often find a great

conflict between my emotions and my intellectual conceptions. I notice the hon. member for Trinity (Mr. Hellyer) listening very carefully. He is as usual hoping I will make a slip and upset our political applecart. Let me say first I am a great believer in the value of a knowledge of history, the value of traditions and the value of the symbols that represent history, traditions and culture. I have a great affection for my French-Canadian colleagues. I love their Gallic vivacity, and their sometimes volatile approach to life, their liveliness. I am very fond, also of their charming ladies.

I may say, too, that I have a great respect for the union jack. I was brought up in a home where the union jack was very much respected. The union jack, to me, is symbolic of the struggle for freedom in Great Britain through the centuries, the development of parliamentary institutions and the laying of the foundation of the democracy we enjoy today. You cannot sweep that history away overnight, or by a motion. You cannot forget it that easily.

If I had my way on this question I should like to see a flag upon which were emblazoned the symbols representing the traditions and history and culture of our French-Canadian colleagues and their compatriots all over Canada. They have a great past and history. The fleur-de-lis represents the chivalry of France. What more inspiring national anthem is there in the world today than the Marseillaise. I ask that of anyone. When it is played it almost makes you wish you were a Frenchman. The Canadian people of French ancestry have made a great contribution to the evolution of democracy and the development of many facets of our national life. As I was saying before, I wish we could design a flag acceptable to all Canadians that would provide for the representation of the symbols that represent the traditions and culture of the French, the history behind the union jack, and in some way include symbols that would represent the other races that go to make up our nation. However, that is my personal opinion. I am a democrat and I am willing to accept the decision of the majority, on this and any other question.

I am sure that the time will come in the future when public opinion will be crystallized sufficiently to make a decision. As I said before, I should like to see a flag which blended the symbols of these races that make up our nation. However, there is a strong sentiment in favour of a distinctive national flag. Let me say this, though.

When you say "a distinctive national flag" I find that opinions as to what composes a distinctive national flag are as varied as are the flags of the world today. I speak to one person in my constituency and he says, "Certainly I am in favour of a distinctive national flag with a union jack on it". I speak to someone else and he says, "Yes, I am in favour of a distinctive national flag but I do not wish to have a union jack on it; I want something distinctive on it". In my opinion we can have a satisfactory compromise; that is to say, when the time is ripe, when public opinion is crystallized, we can have a distinctive Canadian flag and at the same time fly legally in Canada the union jack as the symbol of our membership in the commonwealth of nations.

The matter of obtaining a design is not as simple as it appears to be on the surface. I was on the committee in 1946 and at that time I think that we had 2,600 designs.

Mr. Hodgson: There were 2,695, to be exact.

Mr. Herridge: I thank the hon. gentleman for his assistance. The hon. gentleman is so inactive that the figures remained in his mind throughout the years. I thank him for the assistance. These designs were submitted then. Personally, I am of the opinion that that is not the correct way in which to choose a national flag. A flag is something to be designed by experts, those interested in heraldry who understand procedure, history, custom and practice and the meaning of symbols. I think that part of the matter is for experts. Let them submit for adoption not more than half a dozen designs. I would prefer to see two or three.

A properly designed flag conveys a signal. That is the point. As I mentioned with regard to the flag the committee suggested, we were told that the maple leaf in the centre on a white background to anyone on the sea or elsewhere or to anyone who understood the signals, meant Canada and that the union jack in the right hand corner, a little more than quarter the size of the flag, represented Canada as a member of the commonwealth. Design is extremely important. For instance, when you come to design a flag these matters must be taken into consideration.

I may say that I have done a little bit of reading on this subject; I did it some time ago, about as many years ago as when the figures mentioned by the hon. member were imprinted upon his mind. Vertical lines in flags represent strength. Horizontal lines represent repose. However, lines at an angle of 45 degrees in heraldry represent instability and represent, shall I say, something falling rather than support or strength. These things all must be considered and many people do not understand that designing flags is a science and an art. I therefore believe it is a question of the public having some understanding of

the necessity for experts to design a flag, having regard to the meaning of heraldry and the meaning of the signals that a flag is intended to convey.

I am sure that we can design a flag which will be acceptable to the great majority of the Canadian people and whose signals will represent first of all that we are Canadians. Then as I said before, I suggest we should fly in Canada on an equal basis the union jack as being representative of our membership in the commonwealth of nations.

It is my opinion these debates on the flag give an opportunity for expressions of opinion. They also create some discussion in the country. I think more education must be done on the part of all of us in the parts of Canada represented by our French-Canadian colleagues and in other parts of Canada with regard to what is implied in the design of a Canadian flag and the signals we want to be represented or conveyed by that flag. Then we shall have a crystallized informed public opinion. Then, in my opinion, the time will be ripe, as a result of a referendum or a plebiscite, for the Canadian people to determine their wishes in this matter according to our thoroughly democratic practices and procedures.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like first of all to congratulate the hon. member for St. Boniface (Mr. Regnier) for bringing this matter before us at this time. He is to be commended for his diligence in this matter. I think it can be said that there is no matter that is of more interest and importance to Canadians than the matter of a distinctive Canadian flag. In a few more years we shall be celebrating our centennial here in Canada and at that time it would be well if all Canadians could share that measure of unity that may be enhanced by a distinctive Canadian flag.

The union jack, which to many is reminiscent of colonial days, has served us well during the past 94 years. To many it is the flag of Canada. I can understand the significance that it must assuredly have for all of those who have followed it in line of battle, whether on sea or land or in the air. To many of them there can never be any other flag that will so surely represent those things which they were prepared to defend, and which in their minds represented the Canadian nation. Then too, there are those who, through direct descent, look on the union jack as the flag of conquest in so far as Canada is concerned. It is among these persons that there exists a measure of difference of opinion with regard to the solution of the problem as to what shall be a truly Canadian flag. That division seems to have been drawn between many of our English-speaking Canadians and many of our French-speaking Canadians.

As one who represents the third dimension in Canadian life, namely that of those Canadians of other origins, I wish to offer my contribution to this debate. In doing so I am conscious of the measure of the differences of opinion that divide a number of Canadians of English ancestry and a number of Canadians of French ancestry as well on this issue. The argument I wish to advance is in support of the premise that we are not yet ready as a nation to face a referendum on this issue in so far as a choice of a particular design for a flag is concerned. Indeed, a referendum might serve to emphasize division rather than unity in this nation at this particular time. I will also try to establish the premise that the section of the Canadian population that I feel is neutral in this matter may indeed be the one that will have to be a deciding factor when we finally come to adopt a flag other than that which we now acknowledge as our own.

There are good arguments that can be advanced to support this premise. Most of those in this third section of our population are relatively free from any of the pressures that may be regarded as prejudice by either of Canada's founding families. Most of us want the flag of Canada to represent the true complexion of this nation. The argument is often used that it must therefore not include any symbol that might emphasize the dual personality of the foundations upon which this nation had its beginning.

I am inclined to believe that the flag of Canada should emphasize that dual personality and preserve it for future generations. This is a matter that is taking on more importance with the passage of the years. As the intermingling of the two great races, and those others included in our third dimension, are gradually and surely changing by a process of erosion and diffusion, the differences that in the beginning seemed so important are today still important because they are giving this nation a distinctive character and personality before the world.

Our parliamentary system, our judicial system and our membership in the British commonwealth of nations all stem in part from our connection with the British people and the union jack. It would seem to me that Canadians, particularly in that third dimensional group, certainly appreciate and value the opportunities and the justice that these instruments of government, law and mutual security have provided.

Many of them fled the old lands of Europe and other continents to escape conditions and circumstances that these institutions have

prevented from taking place here in Canada. To many of them the union jack will forever be a reminder of their homeland or birthplace, simply because it represented a haven here in Canada against the old established inequities which had held for them little or limited hope for the future in the land of their birth. To them a Canadian flag without some resemblance to the union jack just does not seem possible.

Before we leave this aspect it might be well to mention those who through the history of their homelands were at one time or another, because of their national background, in conflict with Great Britain. Their decision to come to Canada was not overcome by the fact that we had a Canadian flag in the form of the union jack. In most cases it was because of this flag and what it represented that they became interested in emigrating to Canada.

I have known some of these people who could never really cherish any great warmth of affection for Great Britain as such, but who nevertheless looked upon the fruits of her handiwork here in Canada as most desirable. That feeling has continued to grow during the two wars, and with the advent of atomic power, together with our geographical position, almost as the axis upon which contending forces in world power are revolving, a new appreciation has been growing in this country in so far as the contribution of the mother country—and I refer to Great Britain—in placing us on our own feet as a distinctive nation. The British connection which to many people, if not altogether repugnant was not too desirable, has now taken on a new complexion, particularly in so far as the gallant stand that the people of Britain made for all mankind during the last war.

These people coming to Canada from all around the globe to find security from the insecurities of their homelands have seen, sometimes almost unwillingly, the union jack emerge as the symbol of their fondest hopes and dreams built here in Canada. Those who in the years gone by have looked upon the wars in Europe as something detached from Canada, and who considered our intervention on the side of Great Britain, and sometimes France, as something compelled by colonial ties with either of these nations, are today faced with the other alternative because the shift in the power balance of the world has placed their chosen land in the position where it could conceivably become the battleground should world conflict again overcome the better judgment of men and nations.

The contribution of French culture to Canada's personality is a living reality. We see it everywhere we go in Canada, and particularly so in the province of Quebec. The constitution of our nation embraces and compels a recognition of a continuing application of those influences that should not be forgotten in building the fabric of a distinctively Canadian flag.

Those who say that there must not or should not be any indication of that unique influence in the pattern of a distinctive Canadian flag do not have any more proper appreciation of Canadian history than those who would deny the identities that are called to our national mind by the union jack.

As the hon. member for St. Boniface stated today, we should have a flag that would represent the image of our nation. This debate should serve a useful purpose at this time; it will inspire all of us to give this matter increased attention. There is still time in which a decision can finally be reached without a referendum.

Whatever the design finally approved by parliament and the Canadian people, it should be a reminder to us of our beginnings as a nation. It should reflect the part that Great Britain played in the development of our institutions. It should also reflect the personality of Canada as it has developed under the enriching influence of French culture. But more than that, it must also reflect the personality of a nation having that third dimension, that of those who chose Canadian citizenship after the destiny of Canada was decided in the articles of confederation.

Because of our history this nation has a distinctive personality. It would be a poor Canadian who would be ashamed of any of that heritage. It is one of our greatest strengths upon which we can build in the future. It is also one of the best examples that any nation can show to her friends and neighbours in the world community.

We cannot rewrite the history of our country. Our task is to take that history and bring it into the fabric of our national life in such a way that unity may be multiplied until all our people can truthfully feel distinctively Canadian. That day is nearer now than ever before in our history.

I want to congratulate once more the hon. member for St. Boniface for giving all Canadians a reminder that there are still some objectives which remain to be achieved before the true distinction of Canadian citizenship becomes clearly established here in Canada.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montclam): Mr. Speaker, even if we do not share the views of some of our fellow members, be they Liberal, C.C.F. or Conservative, it is nevertheless permissible, under our democratic principles, to speak accord-

ing to our conscience on a subject of essential significance, like the adoption of a distinctive national flag.

This afternoon, I heard the hon. member for Laurier (Mr. Chevrier), deal as he has done but rarely since sitting in this house, with the matter of a distinctive national flag.

At this time, I refer to an order in council enacted on Wednesday, September 5, 1945, of which I will read a few excerpts:

The Canadian red ensign should be flown on federal government buildings and all doubt with regard to the relevancy of flying this ensign whenever a distinctive Canadian flag is to be flown, should be dispelled.

It is desirable to authorize the flying of the Canadian red ensign on federal government buildings within as well as without Canada, and to remove any doubt as to the propriety of flying the Canadian red ensign wherever place or occasion may make it desirable to fly a distinctive Canadian flag;

Therefore, His Excellency the Governor General in Council, on the recommendation of the Prime Minister, is pleased to order and doth hereby order that the red ensign with the shield of the coat of arms of Canada in the fly may be flown from buildings owned or occupied by the federal government within and without Canada.

That departmental order was enacted in 1945, under the Mackenzie King government. And who was a member of the cabinet council at the time? None other than the hon. member for Laurier who then co-operated in the enactment of that order in council. How is it that the hon. member, the former member for Stormont, was in favour of a flag bearing the red ensign in the fly, while today, as the member for Laurier, he wants a distinctive national flag? I cannot understand his attitude. He is not sincere, he is not consistent. He changes his views as he moves from one province to another and he will probably be a candidate in some other province at the next election, and he probably will then have some other conception of a distinctive national flag.

Mr. Speaker, may I read here part of a statement Mr. Pearson made during the election, when campaigning in the province of Quebec. This item from *Le Devoir* of March 7, 1958 reads as follows:

Mr. Pearson's statement on the necessity of a national flag has been welcomed in the capital city. However, it has been noted that during his meeting with the students, at the Reform Club of Montreal, the Liberal leader saw fit to add, on the matter of the flag, that it may be necessary then to discuss whether such a flag should or should not contain the union jack. A Conservative with nationalist tendencies observed that in the province of Quebec Mr. Pearson gave some guarantee to a certain well known English-speaking group. That is, he maintains—or at least, does not clearly repudiate—the avowed opinion of Jack Pickersgill and James Sinclair on that matter. This is not what had been expected by the people of Quebec who are irrevocably in favour of the adoption of a distinctive national flag, without any sign of subservience to any country. A Liberal told us this: "If Mr. Pearson said he is in favour of having the union jack in our national flag, he would have done better to hold his tongue. His statement will do more harm than good to the Quebec Liberals."

Ladies and gentlemen—

Excuse me, Mr. Speaker, I am so conscious at this time of addressing the people of Canada, since all the hon. members in this house represent the people of this country, that I have perhaps disregarded the rules of the house.

But I cannot understand the attitude of the Leader of the Opposition, who is very much of a diplomat. He reminds me somewhat of that non-committal type of diplomat who says no and yes at the same time. He is always sitting on the fence whenever he goes in the province of Quebec. During the last election campaign, he was in favour of a distinctive flag and, if he is asked to be specific, he favours a flag bearing a union jack. The Leader of the Opposition reminds me a little of the hon. member for Laurier whose views about the adoption of a Canadian flag change from year to year.

As for the hon. member for Bonavista-Twillingate (Mr. Pickersgill)—a member of this house referred to him this afternoon—I put a question to him, Mr. Speaker, following which the hon. member for Bonavista-Twillingate made a correction, as reported in *Hansard*. This is what he said:

I stated many times and I state again that the Canadian flag is the one stipulated by order in council of December 5, 1945.

The hon. member for Bonavista-Twillingate's feelings about the Canadian flag are the same as those of the hon. member for Laurier at the time his government passed the order in council in 1945.

I understand the attitude of the hon. member for Bonavista-Twillingate since his leader is not the Leader of the Opposition, but rather the premier of Newfoundland.

Mr. Speaker, a flag is not only the symbol of an adult nation, it is also the result of that nationality itself, its official confirmation by means of an order in council emanating from responsible authorities. Is there anything more depressing for Canadian delegates

at international gatherings than to note the absence of their own flag?

Those of us who have visited foreign countries, who have stayed in our embassies, legations or consulates abroad have felt ashamed because of the absence of a Canadian flag.

Why should we proclaim to the whole world the importance and strength of Canada when we do not even have a flag waving on our public buildings or on the hood of our ambassadors' cars?

A flag means much for a free citizen. In its folds, he rediscovers his whole history. Looking at it, he can feel the spirit of the nation, whose heart beats in unison with his own. For its flag, a nation lives, fights and dies. And we have not even got a distinctive national flag. For years, the Canadian government has refused to shoulder its responsibilities, because it did not seem to think it had the necessary authority to choose a flag representative of our nation here and abroad.

Many of us are aware that national unity is now materializing under the wise stewardship of the present Prime Minister of Canada (Mr. Diefenbaker). It would be superfluous to give a recital of the numerous statements made here by the Prime Minister in an effort to cement national unity. I can assure hon. members that the government is giving consideration to all suggestions bearing on this subject. I am sure that a possibility exists and that in the near future we will have a distinctive national flag in keeping with the aspirations of the nation which will give a feeling of pride to every Canadian.

A great man has said that the last shot for the defence of the British Empire would be fired by a French Canadian. Those of us who have witnessed the warm and imposing reception granted Her Majesty the Queen and all the members of the royal family know that French Canadians do not harbour any hostility against royalty. The question need not even be asked about the English Canadians. The two groups realize the importance of the British monarchy within the commonwealth. Thousands of designs have been proposed. A joint committee of the Senate and the house has seriously studied the problem, but it left us without a symbol. Among all the designs already submitted, I remember one which thrilled me and made me very proud. It was proposed by the college of Joliette, in my riding. It was a very beautiful flag which honoured both our English and French ancestors by describing in a single design the development of both our groups.

Mr. Boulanger: Who wrote that speech?

Mr. Pigeon: By the way, in reply to what the hon. member for Drummond-Arthabaska (Mr. Boulanger) just said, we have no Mr. Lamontagne to write our speeches for us.

Mr. Speaker, are there still people saying that we do not yet deserve a national distinctive flag or an official national anthem? I see members on the other side laughing while such a serious problem as the choice of a distinctive national flag is being discussed. I know why, Mr. Speaker. They have always shirked their responsibilities in the matter. The hon. member for Laurier (Mr. Chevrier) is one of those who in 1945 showed their true face to the nation. Like the Leader of the Opposition he runs with the hare and hunts with the hounds; he is always running back and forth, afraid to take a stand, afraid to say what he thinks, since he cannot erase his past record as minister of the crown.

Mr. Speaker, I feel it is high time the government of Canada examined the possibility of giving the country a distinctive national flag. I congratulate the hon. member for St. Boniface who introduced the resolution. It should bring him congratulations from all his colleagues. I am very much disappointed, Mr. Speaker, to see members like the hon. members for Cochrane (Mr. Habel), for St. Jean-Iberville-Napierville (Mr. Dupuis) and Drummond-Arthabaska (Mr. Boulanger) sitting there talking and laughing while such an important matter as the adoption of a distinctive national flag is being discussed. Seeing them, I cannot help thinking about the hon. member for Laurier who is Canada's number one joker.

(Text):

Mr. J. N. Ormiston (Melville): Mr. Speaker, I welcome the opportunity of taking part in this discussion of the proposed resolution introduced by my friend the hon. member for St. Boniface (Mr. Regnier) and wish to take this opportunity, too, of congratulating the hon. member upon sponsoring this debate.

Certainly there should be extended discussion on the topic of the national flag before any action can be taken. Even the mention of a referendum concerning the adoption of a Canadian flag will initiate some serious

thinking on the matter and in this way prepare all individuals for making the best selection possible.

However, taking action in a situation of this nature which crosses the complex lines of heritage and culture requires serious study. We cannot deny that a national flag would be an indication of greater unity but judging from the opinions expressed from time to time on this question the adoption of a flag of a particular design at this particular time may well create a little dissension.

While a flag itself is only a symbol it should be truly emblematic of the spirit and character of its people and before a referendum is even considered we as a people must recognize the need to designate in our flag a design which is typical of a free and independent nation.

The suggestions contained in this resolution regarding the type of flag are quite restricted and certainly offer only a limited choice. Surely in asking for a referendum it would be unwise to offer only one other pattern besides that of the red ensign and expect a popular reaction to such a move. Those who have prepared and submitted other designs are equally entitled to consideration should steps be taken to promote the acceptance of a flag other than that in use at the present time.

I am prompted to say something further about the adoption of a Canadian flag because only as recently as Friday of last week I received several suggestions in this subject from a group of high school students from the town of Neudorf, Saskatchewan. The designs in question were both original and artistic and were forwarded with the approval of the local chamber of commerce. This action certainly shows an awakening in the minds of some of our younger students to the need for some action as suggested by the hon. member for St. Boniface, but even as we are discussing the possibility of a distinctive flag the fact remains that in the face of change, custom and tradition die hard and there are those—and I must include myself in this group—who are imminently satisfied with existing arrangements.

It will be recalled that during the war a referendum was called on the conscription issue and in spite of the wishes of the majority no action on the part of the federal government was forthcoming. More recently in Saskatchewan a plebiscite was held on the time zone question which proved little except that such a vote was an expensive proceeding in view of the result achieved.

In conclusion I should like to make this point. I believe that we, the representatives of the people, should be guided by the wishes of those whom we represent and if any government action in this respect is taken in the future it should be done on the basis of a referendum.

(Translation):

Mr. J. A. Habel (Cochrane): Mr. Speaker, the question now before us is one, as I said before, of great importance to me. I would say by the way that if we laughed a bit during the speech of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), it is because he seems to be carried away so easily that he makes us laugh even if he is speaking about rather serious questions.

There is nothing new in the question now before us. I talked about it in May 1939 in the Ontario legislature during the visit of their Majesties in Canada.

I remember very well that my first words went something like this: The previous speakers talked about their Majesties, the King and Queen of England; they also talked about the British empire. I added: I am sorry that no one saw fit to mention the fact that we were talking about receiving our king in Canada. In fact, His Majesty George VI had been crowned King of England and also King of Canada and of the other dominions of the empire and of the commonwealth.

Thus the king of England was at that time, as Her Majesty the Queen is now, Sovereign of Canada as well as of England.

I sincerely believe that the great majority of Canadians are happy to safeguard this symbol of monarchy. Our people are quite happy to live under a monarchy.

However, this does not prevent the question of a flag from making the headlines from time to time and to give rise to a discussion which in time will inevitably show the way towards the solution of that problem.

Mr. Speaker I have here a letter from a grand-niece of mine, daughter of my nephew whose father is French Canadian and whose mother is English. They live in Toronto. On December 14, I received from that grand-niece of mine a letter which I shall not quote in its entirety because the little girl tells me at the same time about the whole family. But here is the main point of her letter:

(Text):

The question I wanted to ask was, why haven't we got a Canadian flag?

(Translation):

A little ten year old girl attending an English school in Toronto puts the following question to her uncle: How is it that we do not yet have a Canadian flag?

In other words, an effort must be made, not only by youngsters but by older people to have a better understanding of this question.

Last year, I said that that question had to be discussed with calm and consistency, somewhat like the hon. member for Matapedia-Matane (Mr. Belzile) did this afternoon. Evidently, he managed occasionally to blame the previous prime minister. But, in politics, one must expect to be criticized occasionally.

We must admit that this is a question that must be discussed with moderation in order that the feelings of one and all may be properly understood.

Some people still believe that there should be room in the Canadian flag for the British coat of arms; others believe that we should add the fleur-de-lis.

It is only through a thorough study of the arguments put forward that we shall no doubt find the design of a really distinctive flag, which will be the very proof of our mutual understanding.

Not so long ago, the hon. member for Lincoln (Mr. Smith) introduced a bill in this house. Although it was never disposed of, and since I do not want to be out of order, Mr. Speaker, I would ask your permission to refer to it. The measure was rejected due, perhaps, to certain pressures although a resolution was passed by the city council of St. Catharines.

I have here, Mr. Speaker, a copy of the resolution adopted by the municipal council of that city. I do not find anything in that resolution that bears any resemblance to the wording of the bill introduced by the hon. member for Lincoln.

That resolution calls for a distinctive flag for Canada.

With unanimous consent of the house, I should like to put that resolution on record.

(Text):

Mr. Speaker: The hon. member who has the floor suggests that a copy of a resolution passed by the city council of St. Catharines be made an appendix to today's *Hansard*. Has the hon. member leave of the house to do so?

Some hon. Members: No.

Mr. Hodgson: This will interfere with the bill of the hon. member for Lincoln (Mr. Smith).

Mr. Smith (Lincoln): Mr. Speaker, that resolution is already recorded in *Hansard*. I read it myself.

Mr. Speaker: There does not seem to be unanimous consent to the hon. member's proposal.

Mr. Habel: Then, Mr. Speaker, in all fairness to two municipal councils in my riding which have supported the same resolution I will have to read the resolution. The council of the town of Cochrane has accepted this resolution without reservation and has written me a letter asking me to support the demand for a distinctive flag. The council of the town of Hearst has also endorsed the same resolution. Because of the fact that members on the government side refuse to allow the resolution to be embodied in *Hansard* I will read part of it. It is in these words:

> That whereas this council is aware that on the fifth day of September, 1945, the federal government by its order in council number P.C. 5888 declared it appropriate to fly the Canadian red ensign within and without Canada, wherever place or occasion may make it desirable to fly a distinctive Canadian flag...
>
> Now therefore be it resolved that the federal government and the Right Hon. the Prime Minister of Canada be and they are hereby required to amend order in council P.C. 5888 or to pass a new order in council to provide forthwith for the establishment of a distinctive Canadian flag.

These two municipal councils in my riding support the resolution passed by the city council of St. Catharines and this goes to show that the resolution is absolutely in accordance with the amendment we have moved today.

(Translation):

Mr. Speaker, the matter of a flag arouses great interest among Canadians, more particularly among our young people. It seems that time ripens too slowly for some older people, or that we take too long to come to a final decision. Just the same we have to admit that the idea has made some headway, and that the moment will soon come when we shall have to take a decision.

To the hon. member for Joliette-L'Assomption-Montcalm who, a moment ago, indulged in cynical remarks regarding certain statements or newspapers' reports about the hon. member for Laurier (Mr. Chevrier), the hon. member for Bonavista-Twillingate (Mr. Pickersgill), the Leader of the Opposition (Mr. Pearson), and who said that the hon. member for Laurier seemed to change his mind as he changed provinces, I would remind him that it is strange that a native of the province of Quebec, as I am myself, should say such things, because I was elected to the Ontario legislature not only by French Canadians but also by English-speaking citizens and people of other origins. And this happened only six years after my arrival in that province, which is now my province of adoption. In my opinion, this means that the province of Ontario—which some people like to call the imperialistic province—accept natives of Quebec province to the point of making them their provincial members. I am therefore amazed that Conservative members from Quebec

should be shocked at seeing a native of Ontario being elected in Quebec. I quite fail to understand that. It is something that only proves the narrow-mindedness of certain members.

Mr. Pigeon: Mr. Speaker, on a question of privilege. I must say that I usually have regard for the statements made by the hon. member for Cochrane but today he puts into my mouth words I have never uttered.

Mr. Habel: Did the hon. member for Joliette-L'Assomption-Montcalm not say, a moment ago, that the hon. member for Laurier changed his attitude regarding the adoption of a distinctive national flag just in the same manner as he moves from one province to another?

Mr. Pigeon: That is true, Mr. Speaker.

Mr. Habel: Did he not also say that he would not be surprised to see him run in another province at the next election?

Mr. Pigeon: I would not be surprised if he did.

Mr. Habel: Instead, he should realize that some of his friends are trying to give him good advice, that he should follow more carefully. If he is sick, he should be in the hospital, not in the House of Commons.

Mr. Speaker, "once a drunkard, always a drunkard". Those are precisely the words that the hon. member for Roberval (Mr. Tremblay) has learned. This hon. member, a university teacher, seems unable to do anything but to repeat himself over and over again like a trained parrot.

An hon. Member: You resent the fact that he is a better speaker than you.

Mr. Habel: Then, Mr. Speaker, while the other countries—

(Text):

Mr. Hodgson: You are endeavouring to adopt the idea of the Right Hon. Mackenzie King, divide and rule.

Mr. Habel: If I were you, I would talk about a flag rather than interrupt an hon. member who is speaking. Now, Mr. Speaker, the other countries of the commonwealth have their own flags.

Mr. Hodgson: We have a flag which was put up in 1946 by the Liberal party.

Mr. Habel: The countries of the commonwealth such as South Africa, Australia and New Zealand, all have their own flags. I do not see why at this stage, after this question has been discussed so often in this house, and after all the reports and surveys that have been made by newspapers which clearly demonstrate the Canadian people as a whole want a Canadian flag, the government does not decide to do something about it.

I have in my hand a clipping from the Kitchener-Waterloo *Record*. It is not new because it is dated February 27, 1954. It reads as follows:

> Reports from Australia indicate that Queen Elizabeth and the Duke of Edinburgh are receiving a tumultuous welcome wherever they go. The Australians are giving a wonderful demonstration of loyalty at this first visit of a reigning sovereign to their country.
>
> The fact that Australians have a distinctive national flag of their own isn't cooling their loyalty to the crown in the least. Opponents of a distinctive flag for Canada, please note.

I do think, Mr. Speaker, it is time for us to try to find a solution to the problem. As Hon. Mr. Drew said in the house in 1953 —I have to quote in French because this clipping is from a French newspaper:

(Translation):

During the course of a debate on a similar motion, the Hon. Mr. Drew expressed the following views, as reported in the *L'Action Catholique* of December 10, 1953:

> Therefore, Mr. Drew does not feel that any more information on this matter could be obtained through the establishment of another parliamentary committee. The government must assume full responsibility in this regard...
>
> The Leader of the Opposition clearly states that he is in favour of a distinctive flag. However, he does not specify whether or not the union jack should be embodied in its design.

Mr. Speaker, in closing my remarks, I will say that the young generation of today will be our population of tomorrow, that the country will draw administrators from their ranks and that our young people may again—and I express the wish that they will not—be called to the defence of their country. Therefore, it is time for the government to make a thorough examination of this matter free from political considerations, as was pointed out by the hon. member for Matapedia-Matane (Mr. Belzile) this afternoon, and to try to find a solution to this problem once and for all.

(Text):

Mr. John Smith (Lincoln): My remarks at this time will be rather brief, Mr. Speaker, because I am mindful of what you said at the time this motion was introduced. You said you did not want this to develop into a debate on another bill which had been presented some time ago. I shall not therefore, say too much at this time. I am mindful of the fact that the bill which I presented had a rather rough experience. I might say, though, that it did result in a great deal of discussion, both in this house and across Canada. It also proved that one who is a backbencher and does not take too much part in the debates has to say something quite smart or do something very controversial if he wishes to catch the headlines.

I can assure you, Mr. Speaker, that I caught the headlines and I received letters and newspaper clippings from all parts of Canada. Some of them were not too complimentary. Nevertheless, there was not one that was against the principle of a Canadian national flag.

I am sorry the hon. member for Kootenay West (Mr. Herridge) is not in his seat at the moment. I had a letter from the lord lyon in Edinburgh. He was not suggesting he would design a flag for us, but he suggested that if we did not have a college of heraldry in Canada we should get one because he does work at the moment for governments and private individuals in Canada by way of designing coats of arms, flags, badges and a number of other things. However, be that as it may, I was pleased that the hon. member for St. Boniface (Mr. Regnier) was allowed to present his resolution. I was afraid that perhaps my bill had deprived him of the opportunity of doing so, and that was far from my thoughts. I should like to say that I appreciate the hon. member's sincerity in bringing a measure of this kind to the floor of the house. While there are some things in his motion of which I do not approve, I do not feel it is necessary at this time to put the question to the people in the form of a referendum which suggests the design of the flag.

I feel there has been enough discussion and enough talk on the subject throughout the country. It is a matter for the government to decide. I feel a decision should be taken much in the same way as the bill of rights was decided upon when it went through this house last year. If the government is ready to present a motion in favour of a distinctive Canadian flag, the matter could be studied by a committee of this house and reported upon. I am sure if that were done a satisfactory solution would be brought forward. I have always been very much in favour of a distinctive Canadian flag. I have taken every opportunity to express my views that the time is long past when Canada should have a distinctive flag.

I am not going to repeat the things I said when I presented my bill. However, since that time several things have been brought to my attention by means of letters which I received. It has been brought to my attention, for instance, that at Niagara Falls, which is a border city, there is no Canadian flag of any kind flying over the customs building. There is not even a picture of Her Majesty the Queen in that building. I am not referring to the Peace bridge, which is at Fort Erie, and which is in a little different situation. I am quoting now from a letter I received from an Anglican minister who visited the three bridges, the Rainbow bridge, the lower bridge and the Queenston bridge. He said that at the customs houses at those three bridges he found no sign of any Canadian flag or any pictures of the Queen. You can cross the river to the United States side and find the beautiful stars and stripes flying over the customs building. This flag is lowered each evening, with dignity and according to tradition. Inside the United States customs building, they also have the United States flag. I saw it there myself when I was in the building.

There is no doubt about it that in this country we are losing our appreciation for our flag and even for our national independence. In my opinion there is nothing that portrays the independence or the loyalty of a country as well as a national flag. It is extremely unfortunate at this time that we do not have a national flag. I urge the government to take whatever steps are necessary, by way of bringing in a government bill and setting up a special committee to consider it, in order to give us a national flag for Canada. If this is done, I am sure that everybody will be satisfied.

I think that is all I have to say at this time. Again I express my appreciation to the hon. member for St. Boniface (Mr. Regnier) for bringing this matter to the attention of the house, although I do not entirely approve his motion.

(Translation):

Mr. J. J. Martel (Chapleau): Mr. Speaker, after a long enough debate on this matter, I would not like to take too much of the time of the house. Therefore, I will express my views as briefly as possible and at the same time make some comment which I feel will be of general interest to hon. members.

First of all, I wish to congratulate the hon. member for St. Boniface (Mr. Regnier) for offering this resolution to our discussion and for affording public enlightenment on this matter which has been debated for so many years.

It proposes, of course, a referendum. I am entirely favourable to the principle of that proposal, but I wonder whether it would not be advisable to be more precise and to deal with the heart of the matter with the following question: "Are you in favour of a flag with a green maple leaf on a red and white background?" This being said, Mr. Speaker, I take the liberty of briefly relating with comments the history of this matter of a national flag. This is not the first time such a

matter comes up in Canadian politics. In the past, governments, organizations, members of parliament and many Canadians raised that significant issue, without obtaining definite results. I hope that, thanks to this discussion, we shall make some progress in this field.

In 1925, the Canadian government entrusted to a committee composed of government officials the study of designs for a national flag. That short-lived committee had to be dissolved because of its non-representative nature.

Later on, some hon. members engaged in discussions in the House of Commons but did not succeed in obtaining a vote of approval. We may recall, among other things, the motions that were submitted in 1931, 1933 and 1938. Other resolutions were introduced in 1934 and 1935.

More recently, that is in 1945, after the second world war, upon the return from overseas of our men who had been many times humiliated by other allied soldiers because Canada, though claiming to be independent, did not yet have a flag, the matter was taken up again. Public opinion had evolved by then, that is after the last world war and the matter gradually progressed.

For instance, in 1945, the government set up a joint committee of both houses, composed of 12 senators and 25 members of this house. That committee sat until July 11, 1946, but no report was ever tabled. Several hon. members who preceded me mentioned that fact during this debate.

I should now like to quote a few excerpts in order to prove that unanimity has gradually been reached in the matter of a distinctive Canadian flag. However, before doing so, I want to mention an editorial published on the subject in *Le Soleil* quite a while ago, on November 19, 1958. In view of the length of this text I propose to read, I suggest that it be printed in *Hansard* as read.

Mr. Dupuis: Oh. No.

Mr. Martel: Well, if I am not allowed to do so, I shall not read it in full, but just the more interesting parts. The editorial dated November 19, 1958 is entitled:

New reasons for choosing a Canadian flag.

And, it must be said, we often are the laughingstock of our neighbour, the United States—as I shall show in a few moments, quoting from *Time* magazine—and of other nations throughout the world. That situation is reflected in the editorial, which says:

The press agencies who report news items from abroad often give their articles a savour which they don't suspect. Sometimes however, they do get somewhat suspicious.

Such is the case concerning a report of the United Press International from Karachi following the arrival of Prime Minister Diefenbaker in the capital city of Pakistan. We know that this is one of the main stopovers in Mr. Diefenbaker's visits to the capital cities of the commonwealth countries. It is reported that upon his arrival at the Karachi airport the Prime Minister was standing between the "Canadian" and Pakistanese flags. It is not without reason that the news agency puts the word Canadian in quotation marks.

As Canada assumes increasing international responsibilities, which is normal for a country in full development like ours, the absence of a really Canadian flag is tragically felt. One might say that a flag is only a symbol. It must be recognized that it is a particularly important symbol since all great countries are jealously safeguarding their respective flags. Is it not a fact that even the smallest nation upon reaching independence hastens to adopt its own national flag?

And the editorial goes on as follows:

Should we conclude that we are not yet completely independent? Such an objection would certainly not come to the minds of Canadians. But what about foreigners? Besides, the facts are there to show that we do not miss an opportunity on that score.

We are living in an era where international exchanges are numerous; no doubt the Prime Minister had a strong feeling about it when he was in Karachi. While Canada considers increasing its material assistance to Pakistan, that country could perhaps adopt for our benefit some kind of a Colombo plan to bolster our national pride and bring all its contribution to an underdeveloped country in that respect.

And the editorial goes on:

Nations of Asia . . . might unite their efforts to advise us concerning the question of a flag. In order to spare our national feelings, so that such an aid does not bear any sign of heraldic domination, the best procedure would be no doubt to pass their suggestions through an international organization such as the United Nations, for instance. This organization in turn could dispel the fears of Canadians and explain to them that the suppression of a foreign emblem on their own flag does not necessarily constitute a provocative action which might cause an armed conflict, since there are after all a few nations which are not afflicted now with such a flag.

Lastly, since we are talking about international organizations, it might be useful if UNESCO were to organize in our country a comprehensive program of public education (through moving pictures as it is done in India, since a nation without a flag is certainly illiterate) to teach Canadians, slowly and painlessly, all that a national flag represents for a nation. With all the international organizations on our side, with the support of countries like Ghana and Pakistan, we would certainly obtain concrete results—which our Liberal and Conservative governments did not manage to

obtain. If we make haste, the news agencies will be able to write Canadian flag without quotation marks during the next trip abroad of the Canadian prime minister.

That shows clearly, Mr. Speaker, that concerning that question of a national flag, which we have not even adopted, not only among our neighbours in the United States, as I mentioned at the beginning, but also throughout the world, in all the other countries, when we proclaim our independence, we are the laughingstock of all those countries because they, at least, have adopted a national flag. And that is to what that article I have just read refers.

I have here another article from the same magazine, *Time*, for January 12, 1959. Since my hon. friends are opposed to my putting it on the record unless I read it, I shall not read it in full; I shall spare them that long ordeal but shall read only a few extracts in English, in order not to abuse the time of the house. That article is entitled:

(Text):

Much of old-line English-speaking Canada is well content to chant *God Save the Queen* and to hail the union jack. But French-speaking Canada resents these as symbols of subservience to Britain, prefers to sing *O Canada* and to salute the Canadian red ensign, though it, too, bears the union jack in the corner. Now another element has entered the flag fight.

(Translation):

I have read this to show that, at times, we are being laughed at, not only in remote countries, but south of the border, in those communities where people are not fully informed on the matter.

And further on, reference is made to a matter brought up by the native sons of Canada. I shall not quote the text in full, but only a few extracts. However, I would not like to be accused of selecting only opinions bearing on a particular context. The article goes on as follows:

(Text):

The flag is serious business for the native sons, mostly blue-collar workers and low-income clerks, who bar foreign-born citizens from regular membership and who, until a few years ago, admitted only Canadians of "white or Canadian Indian descent". They are yammering for parliamentary action. When one son recently urged that Liberal Leader Lester Pearson take a stand on the flag, Pearson replied that "the matter will be raised in the House of Commons when parliament reconvenes".

(Translation):

Well, Mr. Speaker, I see that the Leader of the Opposition is not at his place at the moment.

Mr. Dupuis: Neither is the Prime Minister.

Mr. Martel: Surely he would have derived benefit from that discussion, because he stated to the native sons of Canada that the matter would be discussed in the house when parliament would reconvene.

[Mr. Martel.]

There are other matters related to that problem which, necessarily, are bound, some day, to unite rather than divide us. That matter of a distinct flag is very important, and I am in favour of the adoption of a Canadian flag, precisely in order to ensure the greatness of Canada, to achieve recognition for Canada all over the world as a fully independent nation, and in order to definitely establish that Canada is a fully independent country, which is guaranteed by the constitution. Therefore, I sincerely wish that the matter be definitely settled, so that the flag may become a rallying sign and not a symbol of division.

I have here another editorial taken from the review *Jeune Commerce*, and which is signed by Jules G. Tessier. I shall only read its conclusion, unless my hon. friends allow me to put it on the record. Since they do not seem inclined to allow me to do so, I shall therefore read only its conclusion.

Our so-called differences of opinions and our distinct cultures do not prevent us from being Canadians above all. Besides, when we take time to know ourselves well, we readily realize that there is more affinity between French and English Canadians than there may exist between us and France or England.

If only we could remember and forget at the same time.

To remember the heroic actions of our ancestors and forget who were the enemies. When we can face history with pride but without fanaticism, when we can understand that the respect due to France and England does not make us share their identity, we will then have our distinctive national flag and anthem which will only be the external signs of adult Canadianism.

Those are the conclusions of that article.

And before concluding my remarks, may I refer to the few facts mentioned earlier by the hon. member for Cochrane (Mr. Habel). He said that he has received a letter from his niece. For my part, I have received a letter from a young student girl of my constituency. In fact, she sent me in June 1959 a flag design and at the same time expressed her views. It was a young student from Amos—I may give her name, since she is not my niece, she is Miss Anne Bigue—and she told me that this question should be definitely settled before the centennial of confederation, in 1967.

To our youth, the Canadian flag is a matter of burning interest.

Before concluding, I should like to call your attention to a report published in *Maclean's* magazine of February 1958, which is a true picture of the views of all young Canadians across the country.

(Text):

This is from "Backstage with Youth" in *Maclean's* magazine:

Has it rejected old ties for Canada-first?

Young Canadians have tended to rebel against historic ties with Britain and France in favour of greater nationalism throughout this century. The current generation is heading more swiftly than any other down the path of Canada-first, it is suggested by a recent opinion survey among 1,200 high school students.

(Translation):

I will omit the part that deals with the national anthem since it has nothing to do with this debate. I come directly to the conclusion about a distinctive flag.

(Text):

On the flag question the sexes were split more widely.

(Translation):

The question had been put to the boys and the girls in this way:

(Text):

That is between boys and girls:

Here's where the 83.7 per cent who favoured a distinct Canadian flag stand on the question—

(Translation):

Please note, Mr. Speaker that 83.7 per cent are in favour of a distinctive national flag.

(Text):

"Should it include the fleur-de-lis or the union jack, or parts of both, or be completely different?"

(Translation):

So, to that question, an average of 35.7 per cent of the boys and girls answered that the flag should be different, namely 40.7 per cent of the boys and 30.7 per cent of the girls. It should be noted that a great number did not give any answer. However, the majority declared themselves in favour of a distinctive national flag.

In addition, the table shows that 2.4 per cent of the boys, as well as 1.4 per cent of the girls, or an average of 1.9 per cent, were in favour of the fleur-de-lis. In favour of the union jack, were 11.7 per cent of the boys, against 13.9 per cent of the girls, or an average of 12.8 per cent. Also, 26.4 per cent of the boys and 29.9 of the girls, or an average of 28.2 per cent, would prefer to have both in part. But the general average, that is the majority, is in favour of a distinctive flag and do not want to see any sign of allegiance on the flag.

The article goes on:

(Text):

The kid's apparent lack of interest in the fleur-de-lis is probably explained by under-representation of French Canada in the sample. But the survey is well balanced otherwise. The 1,200 youngsters whose opinions make up the percentages were chosen at random from a list of 200,000 of the country's 380,000 high school students. Their answers are weighted according to the populations of the cities they live in.

(Translation):

I would like to correct an opinion which may still exist among Canadians of other provinces, because it was mentioned in the house by the hon. member for Port Arthur (Mr. Fisher) when he said that the French Canadians or the Canadians from the province of Quebec were in favour of a flag including the fleur-de-lis. I, for one, have never suggested including the fleur-de-lis. We want a flag without any symbol of an outside allegiance, and it is on that note that I wish to conclude my remarks.

I want to underline here something said by the member for Kootenay-West (Mr. Herridge):

(Text):

When the time is crystallized, we can have a distinctive national flag.

(Translation):

Well, I hope the time will soon come when we will have a distinctive national flag. I also hope we will be able to submit this question to the Canadian people for a final decision on the matter.

With regard to the fleur-de-lis, we in the province of Quebec have a provincial flag of which we are proud.

Last year, the province of Ontario decided to fly on its parliament buildings in Toronto the red ensign with the maple leaf. Here perhaps, is a means of implementing the suggestion that each of the ten provinces should have as an emblem a flag of its own, which need not be the national flag but one in keeping with the group of Canadians represented and recalling the particular history of such groups. Then we could hope to have a really distinctive national flag, and we would have unity in diversity.

But, I repeat, Canada as a whole must have a distinctive national flag. Let us enable Canadians from coast to coast to decide once and for all on a truly distinctive flag which would give added strength to its motto "A mari usque ad mare" and strengthen national unity at all times and especially in trying periods.

(Text):

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, I have listened with a great deal of interest to the different members expressing their views concerning the resolution proposed by the hon. member for St. Boniface (Mr. Regnier). I heartily agree that we should have a distinctive flag. Visitors coming to our country are puzzled as they see the union jack and the red ensign flying in the different cities, towns and hamlets of our country.

Flags of Canada

During the last ten years our country has grown rapidly and our new Canadians have made a great contribution to the welfare and progress of our country. I have been associated with people of many nationalities, especially in my own riding of Waterloo North, where we have one of the greatest cosmopolitan centres in Canada. The great majority of these people have been constantly enquiring about a distinctive flag. Evidently they have become real Canadians and are interested in many matters, including that of a distinctive flag for Canada. By royal proclamation of November 21, 1921, the King declared:

> The King, at the request of Canada, assigns to Canada the national colours white and red and declares that the national emblem of Canada shall be three red maple leaves on one stem, on a white field. These shall be used to represent Canada on all appropriate occasions.

I believe that a Canadian flag when chosen should be easily recognizable and unlike any other. It should be visible at a distance, characteristic in structure, and appropriate. It should be symbolic of our country and of our position as a sovereign state in the family of nations, lending itself, also, to variation for different purposes.

It may be of some value at this time to note that the history of the Canadian flag from the treaty of Paris in 1763 to the present date is as follows:

1763-1801—the flag of Great Britain (England and Scotland) was used officially and for all purposes.

1801-1911—the union jack was assumed to be and, with certain minor and generally unofficial exceptions, was used as the official flag of Canada.

1870—the blue ensign, defaced by the Canadian coat of arms, was designated for use on Canadian government vessels.

1892—the red ensign with the Canadian coat of arms in the fly was authorized for use by merchant vessels registered in Canada. This was confirmed in the Canada Shipping Act, 1934.

1911—the union jack was officially declared to be flown at the stern and the blue ensign with the Canadian coat of arms in the fly to be flown at the jack staff of all vessels of the Royal Canadian Navy.

1924—the red ensign with the Canadian coat of arms in the fly was authorized to be flown "over all premises owned or occupied by the Canadian government abroad."

1924—the present coat of arms was substituted for the old Ontario, Quebec, Nova Scotia and New Brunswick quarterings for use on the fly of all Canadian flags.

The dominion command of the Canadian Legion passed the following resolution in 1958:

> Be it resolved that this convention requests the federal government to place the selection of a Canadian national flag before the people in the form of a referendum using
> (a) the flag recommended in the majority report of the parliamentary committee of July, 1946, or
> (b) the flag recommended by the minority report of the same committee.

I am in favour of a referendum concerning the adoption of a distinctive Canadian flag.

Mr. Arnold Peters (Timiskaming): It seems to me the Canadian people are going to be surprised at the activities which have taken place in the Canadian parliament today. All hon. members who have spoken have said we should have a Canadian flag, knowing full well that the longer we talk today the less chance there is of it coming to pass this year. It seems to me the people are going to wonder at our inability to solve our problems in the normal way. It seems to me that if the government of the day had any gumption they would take action, either through a committee or by coming right out and saying that tomorrow, for instance, the Canadian ensign is going to be the national flag, and that is final. Three weeks later there would be no more noise heard about it, and we would have a flag whether we were all in favour of it or not.

For years and years we have been dithering about this question. We have been a nation for more than a hundred years and we are no closer to getting this flag than we were decades ago, except that we now have thousands of suggestions to choose from when originally we had only one or two. I was talking to a girl from Australia who was at the United Nations representing that country. We were talking about flags and national anthems and she pointed out that Australia had got a national anthem by the back-door method. Americans had come to Australia and decided that the Australian national anthem was "Waltzing Matilda". They always played that tune in honour of Australians at every type of function and very soon it became the national anthem. It seems to me that if we fool around for many more years in an attempt to satisfy each of 18 million inhabitants of this country we shall be getting a flag in the same way as Australia got a national anthem, that is to say, through the United States, and it will be only the addition of another star or another bar.

If we believe in majority decisions why cannot we accept the majority decision of the last committee which we had, and adopt its recommendation as our national flag. It seems

to me that it is the responsibility of the government to take action. They could do this by passing an order in council with a great deal more immunity from controversy than arose in respect of a lot of other things they did by this method. I do not think this is something we ought to raise such a fuss about.

Certainly we all have preferences in this field, but it does appear we are all united in wishing to have a Canadian flag, and I think this business of talking about it in five or six ways every year is not bringing us any closer but, rather, dividing us. It is up to the government of the day, or to the government which will replace it, to take responsibility. When they have gumption enough to take action we will end up with a flag. It will not be one which will satisfy everyone in Canada, but that is undoubtedly too much to hope. I hope this government will see fit to instigate proceedings which will result in a Canadian flag rather than in a lot of talk about what we would like to have in such a flag.

Mr. Grant Campbell (Stormont): Mr. Speaker, in any real sense Canada is a monstrosity. But Canada was not created by small, British, rational men; it was created by men of courage whose imagination stretched from sea to sea and from the coastal rivers to the ends of the earth. This country of Canada was created in defiance of geography. All the economic and geographic lines run north and south. The lobster fishermen from Peggy's Cove and Cape Cod suffer the same storms; the prairie farmers in Montana and Saskatchewan each suffer the effects of the hail that crushes their wheat; the people from beyond the mountains in British Columbia and in Oregon both suffer the same sense of claustrophobia. Only our history has held us together as a country, and it is to our history that we must look in order to remain a country.

I believe that next to the fundamental issue of war and peace and the survival of the species the issue of the greatest importance to this country in the next half century will be whether we can maintain a separate, independent and prosperous country in the northern half of this hemisphere. I think we should be ever conscious of and should cherish those things which give us an individual character. These things include our connection with the commonwealth, our common loyalty to the crown and our bilingual culture. These are the things on which we must concentrate as a bulwark against absorption by the great mass represented by the United States.

One of our greatest writers, Mr. Hugh MacLennan, has made what I think is a most cogent commentary on Canada. He looked around at our divergencies and conflicting interests on the Canadian scene and asked this question: What do we have in common? Have we anything in common? He drew this one conclusion which has great relevance to our immediate situation. He indicated that the one common bond among all the significant groups that comprise our great country is the fact that at one time or other they have shared in suffering the experience of defeat.

The highland Scots in 1745, our French Canadians in 1759, our United Empire Loyalists in 1776, all went through the traumatic experience of defeat. These are the original and perhaps most significant groups that make up the mosaic of Canada. The others who came to Canada in later years were refugees in one sense or another from famine, war or persecution. The Irish came and later the Jewish people and then came others from many countries in Europe especially in the years following the last two wars. They came to our shores in search of peace, freedom and security.

This is the one thing we have in common, the one thing all Canadians share. Born of this is something else we all share, the determination that we will not expire, disappear, be absorbed but will somehow or other in our struggling, muddling way maintain a separate, independent and proud existence on this continent.

Like many of my neighbours in Stormont I am proud of the fact that members of my family have defended the independence of Canada under the union jack on three different occasions. I am proud that we have had this opportunity. However, I believe we are in the position referred to by Kipling in these words:

> Daughter am I in my mother's house;
> But mistress in my own.

I think we are very privileged to have enjoyed this honoured and respected position but I believe we have grown to maturity. We are no longer entitled to share in this honour or to enjoy the dignity and prerogatives with which it is associated. We must now build something of our own and we must stand or fall on the basis of what we have built.

BUSINESS OF THE HOUSE

(Translation):

Mr. Chevrier: I am happy to notice that tonight, we have a new interim leader in the person of the Minister of Mines and Technical Surveys (Mr. Comtois). I congratulate him and would ask him to indicate what is the business for tomorrow and for Wednesday.

Business of the House

Mr. Comtois: Tomorrow, Mr. Speaker, the house will conclude the budget debate. On Wednesday, we will begin consideration of item 9 on today's order paper, a resolution sponsored by the Minister of Agriculture.

If that business is completed on Wednesday, we will go on with the resolutions on the setting up of the committees, according to the order to be set tomorrow night.

Mr. Chevrier: What will be the business for Thursday?

Mr. Comtois: I think that is enough to cope with the earnestness of the opposition leader.

(Text):

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

HOUSE OF COMMONS

Tuesday, January 24, 1961

The house met at 2.30 p.m.

LABOUR CONDITIONS

THREATENED RAIL STRIKE—REQUEST FOR RESUMPTION OF NEGOTIATIONS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the house will recall that in the debate on third reading of the Railway Operation Continuation Act on December 2 last I said that I would do everything I could to bring the parties together and regularly call them together to assure that discussions would continue and that justice would be done.

Accordingly I have written to the chairman of the negotiating committee as well as to the representatives of the railroads requesting the parties to the dispute affecting the non-operating railway employees to meet together and resume their negotiations for the settlement of the dispute. The Minister of Labour will make available to the parties the conference room of the Department of Labour at Montreal, and will provide whatever other facilities are suitable so that, pending the receipt of the report of the royal commission on transportation, the position of the matters at issue may be reviewed and an endeavour may be made in the national interest to come to an accommodation that will resolve their differences.

Furthermore, I have advised these parties that the minister would provide any advice or assistance to facilitate the meeting. In that connection I pointed this out in the letter:

> It is imperative when determined steps are being taken by the federal government to stabilize the Canadian economy and maintain its growth that every effort be made to avoid a cessation of railway transportation and the drastic dislocations which would result therefrom.

Accordingly I have asked the co-operation of Mr. Hall and those he represents and the presidents of the two railways and the other railways affected to co-operate in the resumption of negotiations.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, this announcement by the Prime Minister comes, of course, as no surprise. I can only say that I think it would have been much better to have done more to have this situation settled in December than to have the problem still with us. I express the hope of this group that when the parties come together the government will not only make available to them the facilities of the Department of Labour, but that the government itself will take an active part in the negotiations by making proposals and by trying to bring the parties together so that in fact an agreement can be reached.

I would have liked the Prime Minister to elaborate a little in regard to his reference to the royal commission on transportation. Our view is that after the eventual settlement of this dispute it should be government policy, and we make that request, that in no circumstances should there be an increase in freight rates.

Mr. Speaker: Order. I think the hon. member, in going into a discussion of the royal commission and its report, is enlarging the scope of the statement which was made from the government benches.

Mr. Argue: Mr. Speaker, on the point of order you have raised, I was not endeavouring to discuss, nor do I think I was—and I think you will agree on reflection—

Some hon. Members: Oh, oh.

Mr. Argue: —the report of the royal commission itself, nor the report of the royal commission even in relation to the government's announcement. What I was discussing, however, was the statement of policy that the Prime Minister made last December, and I make the suggestion and the request that in no circumstances should there be an increase in freight rates.

Mr. Speaker: Order. It was at that point that I thought the hon. member, in going back to an earlier statement, was departing from the practice.

[*Later:*]

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister a question arising out of the announcement he made a few moments ago about the invitation to resume negotiations in connection with the railway dispute. Has the government any proposals to submit to the resumed meetings which may facilitate the search for a solution to this important and difficult problem?

Threatened Rail Strike

Right Hon. J. G. Diefenbaker (Prime Minister): I am sure the hon. gentleman would agree that any designation of proposals on the part of the government would not be beneficial to bringing about that spirit of negotiation that is so desirable as between members of the labour unions and the railways. There was a full and complete discussion in this house on this matter, and I am sure the views that were expressed, as recorded in *Hansard*, by members on both sides of the house will naturally be known to the officials of the unions concerned and the railways.

Hon. Lionel Chevrier (Laurier): May I ask a supplementary question. In view of the statement the Prime Minister made a moment ago, and the fact that the hearings of the royal commission on transportation have just been completed and there will be a date fixed for argument, I wonder if the Prime Minister is still of the view, as he was on an earlier occasion, that it will be possible for the commission to hand down its report on the matters under discussion by March 31?

Mr. Diefenbaker: While I have not received official word in that connection, my hope is that there should be available, if not the complete report, an interim report in respect of those matters with which the royal commission was charged so as to enable the fullest consideration to be given by the house prior to the date mentioned as a target date during the progress of the debate on this matter.

Mr. Hazen Argue (Assiniboia): May I ask a further supplementary question for clarification. Does the Prime Minister anticipate that this interim report will be sufficient for the carrying out of all the statements he made earlier this session, namely with reference to applications to the board of transport commissioners in connection with freight rates; or can the Prime Minister now say whether the freight rate freeze will continue until the final report has been made?

Mr. Diefenbaker: Mr. Speaker, I am sure the hon. gentleman would not expect me to engage in a hypothetical discussion as to what decisions might or might not be recommended by the royal commission, or indeed to cross that stile he asks me to walk over before we are actually in a position to see the stile.

Mr. Frank Howard (Skeena): May I ask a supplementary question regarding the proposed negotiations between the parties. I wonder if the Prime Minister is going to take any steps to put into effect the statement he made on November 30, as recorded on page 359 of *Hansard*:

> If there is an agreement to raise wages it shall go back to January 1, 1960.

Mr. Diefenbaker: I am not going to redebate the questions that were debated at that time on the orders of the day.

Mr. Argue: You made a lot of commitments.

DRUGS

ANNOUNCEMENT RESPECTING TREATMENT OF ADDICTS

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I wish to announce that the government has approved a new approach to the problem of drug addiction and the treatment of both criminal and non-criminal addicts in Canada. I am making this announcement also on behalf of my colleague the Minister of National Health and Welfare.

The program has two main aspects; steps that will be taken by the federal government in the field of purely federal authority, and measures that may be taken in co-operation with the provinces, if they so wish, in areas where the authority is primarily provincial. The broad general outline of the second portion has already been laid before the provinces for their consideration.

Under the first head, important changes will be made with respect to the apprehension, trial and sentencing of offenders, as well as with respect to their treatment while within, and their supervision after release from, our institutions. The full program envisages the establishment by the federal government, as soon as possible, of special institutions for the segregation and treatment of drug addicts. The timing of the establishment of new institutions, and their nature, will depend to a considerable extent on the degree to which the provinces wish to co-operate, under the portion of the program to be mentioned later. In any event, however, it is of the utmost importance that facilities for segregation should be provided in the existing penitentiary system as soon as possible. Only by segregating the addicts from the general penitentiary population can adequate treatment programs be undertaken. Such segregation will also represent a significant step forward in preventing the spread of addiction.

In order to enable the system to produce the most effective results with respect to criminal addicts, legislative changes will be made to provide procedures for the determination of the question of whether an accused is an addict, and to provide further that if so found, and if convicted of the charge of illegal possession, appropriate sentence to "custody for

treatment" may be imposed. The legislation will also provide for release from custody only upon approval by the national parole board and under supervision for an indeterminate period and upon terms to be laid down by that agency. Those so sentenced will of course be committed to the new institutions as soon as they can be set up. The new institutions will be operated under the present federal penitentiary system, but will include the most up-to-date program for treatment of addicts.

This is not just a plan to hold addicts in custody, but rather an earnest attempt to treat their addiction by the most modern methods available, with the hope that a substantial number may be returned as useful citizens to society.

The program will also provide for increased penalties for those involved in trafficking drugs. Under this approach, the law and the enforcement of it will be based on the view that the trafficker who peddles drugs primarily to pay the cost of his own addiction is no less a menace to society, while at large, than the trafficker who peddles for some other purpose. Details of the legislation will be announced in due course, but it is generally proposed to provide that anyone convicted of trafficking may be sentenced to imprisonment for life, and in the case of a second or subsequent offence, will automatically receive an indeterminate sentence. The duration of the period of probation or parole for such persons will similarly reflect the view that narcotics traffickers require permanent supervision, and must not be allowed to associate with juveniles or other addicts. Other changes with respect to sentencing will also be made.

With regard to that field involving co-operation by the provinces, we are primarily concerned with the prevention of addiction and the treatment of those who may be prone to the use of drugs but are not criminals. The problem here is that the federal government has no jurisdiction over such a person unless or until he has committed a crime, but the main effort should be to treat him and prevent him from becoming a criminal. The full answer to this problem therefore depends upon provincial co-operation.

The Minister of National Health and Welfare has established a committee to study and report upon improved methods for dealing with the non-criminal addicts, and this committee will be working in co-operation with the provincial departments of health. It is anticipated that a few centres will be established in suitable locations where a trained staff can study methods of treatment and guidance of non-criminal addicts. These would be community based services with emphasis on follow-up and prevention of reversion to addiction.

In addition and in order to be able to deal with recalcitrant individuals who are not amenable to treatment in a community centre, we have proposed to the provinces that they provide a procedure, under provincial legislation, for the referral of suspected addicts for medical and psychiatric examination and for commital for treatment of those found to be addicts. Such persons could then be commited for treatment to the new federal institutions to which I have referred, if the provinces so desire, under appropriate financial arrangements to be worked out.

An important feature of this proposal is that those committed for treatment under provincial legislation will not have any form of criminal record nor be subject to the stigma attached thereto, but there will be available to them the extra care and treatment as well as the rehabilitative program which it will be possible to develop under a co-ordinated plan designed to achieve maximum results in terms of the prevention of crime, the treatment of addiction, the rehabilitation of offenders, and the curtailment of a social evil.

To us it is clear that the fullest benefit from the program can only be achieved if there is co-operation at both levels of government. Some of the changes can, of course, be proceeded with independently, but the full extent and effectiveness of the program can only be realized when we determine the extent of the co-operation that will be available. We are encouraged by the expressions of interest received so far, and are proceeding with the preparation of detailed plans as rapidly as possible.

Hon. Paul Martin (Essex East): The extended statement made by the Minister of Justice today is one which the hon. gentleman was asked to make a year and a half ago in this house because of a declaration he had made outside parliament, speaking in British Columbia. The statement deals, however, with a matter of the greatest importance, and the house generally will regard it as one which should receive the most serious consideration, in the light, of course, of what specific recommendations may be made.

The minister has said there are two aspects of the problem of drug addiction; one which involves criminal jurisdiction and is assigned exclusively under the British North America Act to the federal government. Another involving administration, depends upon the exercise by provincial governments of the authority extended to them under section 92 of the B.N.A. Act. In any event, the treatment

of non-criminal addicts depends in the final analysis on the co-operation which prevails between the two senior levels of government.

The minister has said that a bill will be introduced this session, when we shall be given an opportunity of examining the details of this proposal. Consideration is to be given to an increase in the penalties proposed for illicit drug addiction. The house will recall that provision was made three years ago for an increase in such penalties. This further suggestion reflects what I think is a general conviction in this country that the penalty for illicit drug trafficking in Canada must be severe enough to discourage people from the practice, having regard to the grave social consequences which flow from such trafficking.

The minister has said nothing about offers which have already been made to the provinces in respect of treatment centres for non-criminal addicts. However, when this matter is discussed in detail and we have a specific bill in our hands, an opportunity will be given to outline the offer which was made some years ago to the province of British Columbia as a pilot case to provide for treatment of non-criminal addicts.

This is a matter of the greatest importance and the minister may be assured, I feel confident, that it will be viewed in that light by all members of the house.

Mr. Harold E. Winch (Vancouver East): The statement which has just been made by the Minister of Justice is indeed most welcome, and as far as this group is concerned collectively, and as far as I am concerned individually, I have no hesitation in saying that this is a memorable day, made so because of a memorable statement. At long last a logical, reasonable and scientific approach is being made to the serious problem of drug addiction.

There is no doubt that many members of both federal and provincial legislatures, as well as many organizations and individuals outside those bodies, have taken a keen interest in this problem in an effort to obtain recognition by the government that drug addiction is not solely a criminal matter but that it is a matter of sickness, and should be regarded as such.

We are exceedingly pleased that in the statement of the minister emphasis has been placed on co-operation between the federal and provincial authorities, and on prevention as well as cure. A point of particular interest to me is that there will be a definite and comprehensive policy of rehabilitation, an area in which we have failed in the past.

We welcome the announcement of the minister and look forward with interest to the introduction of the legislation. We will deal with the subject in detail at that time. We assure the minister and the house that any step toward meeting the problem that has been a curse to the individual and to society will receive our whole-hearted support.

[Mr. Martin (Essex East).]

EXTERNAL AFFAIRS

ANNOUNCEMENT OF MEETING WITH NEW U.S. ADMINISTRATION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to announce that the first meeting between members of the Kennedy administration and members of the Canadian cabinet will take place tomorrow. The Minister of Trade and Commerce and the Minister of Finance, accompanied by Mr. Ian McKinnon and Mr. Robert D. Howland, chairman and vice chairman respectively of the national energy board, and other deputies and officials will proceed to Washington for the purpose of meeting there tomorrow and of exchanging views with members of the new administration on oil marketing and other matters of mutual interest. The Canadian ambassador will participate in the talks as well.

I think this meeting represents a continuation of that relationship which was so characteristic of the Eisenhower administration with this government and its predecessor. It indicates that the co-operation of the past in the discussion of matters of mutual interest will be continued to the benefit of both our nations.

Hon. L. B. Pearson (Leader of the Opposition): I am sure hon. members are interested in the Prime Minister's announcement of the first meeting between the members of the Canadian government and members of the new United States administration. We all hope that the frank and constructive co-operation which has existed between governments of our two countries over so many years will be continued with the new administration, as the Prime Minister has pointed out.

I understand that this meeting is to be devoted to energy questions in particular and not to general matters, which perhaps accounts for the fact that the Secretary of State for External Affairs will not be going to Washington. In any event, Mr. Speaker, we on this side hope that there will be useful results for both countries from this meeting and from subsequent meetings.

Mr. Hazen Argue (Assiniboia): The announcement made by the Prime Minister speaks well for the Kennedy administration

and for the dispatch with which that administration is prepared to consider problems of interest to both Canada and the United States. I hope the meeting will be successful, and that any future discussions with the Kennedy administration will have to do with defence and external affairs problems and, I must say, I hope very fervently that some arrangements may be arrived at in the field of the export of agricultural commodities.

The announcement of the Prime Minister is welcome. We hope that much will result from this meeting.

STATISTICS ACT

AMENDMENT RESPECTING DISTINCTIVE FLAG AND NATIONAL ANTHEM

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville) moved for leave to introduce Bill No. C-60, to amend the Statistics Act (distinctive flag and national anthem).

Some hon. Members: Explain.

(Translation):

Mr. Dupuis: Mr. Speaker, the purpose of this bill is to authorize the governor in council to conduct a public opinion survey on the occasion of the next decennial census in Canada, concerning an entirely distinctive national flag and national anthem.

Since the census forms have to go back to press shortly, it would be a fine opportunity to include those two questions in order to learn the wishes of the Canadian people on this matter of great current interest.

(Text):

Motion agreed to and bill read the first time.

COAL

CAPE BRETON—REPORTED CLOSING OF THREE COLLIERIES

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to direct a question to the Prime Minister. Is it a fact that the government has accepted as final the dates of closure for three collieries in Cape Breton, and has reached an agreement with the company which rules out discussions with the unions and civic bodies on the future of those three collieries?

Right Hon. J. G. Diefenbaker (Prime Minister): That is a rather lengthy question and one that would require a very long and complicated reply. However, I shall examine the question in detail and when it is considered appropriate to give a full answer it will be given.

Mr. Martin (Essex East): May I ask a supplementary question. Since the first question seems to be too complicated for the Prime Minister's comprehension, may I ask him a more simple one. Did the officers of the united mine workers seek to arrange a meeting with the Prime Minister, and was such a meeting turned down by the Prime Minister or some other member of the government?

Mr. Diefenbaker: The last question the hon. member propounded bears no relationship at all to the first, although it is couched in fewer words than ordinarily are used by the hon. gentleman to state a simple question. In so far as that question is concerned, I may say that there have been meetings from time to time and those meetings will continue when and if it is believed that anything beneficial will result therefrom.

Mr. Martin (Essex East): Do I understand the Prime Minister to say that he has had such meetings with the unions, because my understanding is that is not the case.

Mr. Diefenbaker: The hon. gentleman's understanding is something for which I am not responsible.

Mr. Martin (Essex East): Mr. Speaker, in view of the importance of this matter I should like to ask the Prime Minister—

Mr. Speaker: Order; I am sorry, but I recognized the hon. member for Chicoutimi.

(Translation):

LABOUR CONDITIONS

CHICOUTIMI—WINTER WORKS ADVERTISEMENTS IN ENGLISH LANGUAGE

On the orders of the day:

Mr. Vincent Brassard (Chicoutimi): Mr. Speaker, I should like to put a question to the Minister of Labour. Could he tell me who is responsible for the outdoor advertising of the winter works program and how is it that in a city like Chicoutimi where 99½ per cent of the people are French-speaking, all outdoor panels to promote winter employment are in English only? I wonder what would happen if such advertisements were displayed in French in Toronto?

(Text):

Hon. Michael Starr (Minister of Labour): The hon. member gave me notice of his intention to ask this question. I should like to advise the hon. member that the outdoor panels relating to the "Do it now" winter employment campaign to which he refers are made available by the Department of Labour to the outdoor advertising association in both English and French. These panels are then supplied by the association as a public service to its member companies. The panels are available in both English and French, depending upon what the member company

requests. We in the Department of Labour do not deal directly with the individual companies. My officials inform me that French panels are available on request.

ELLIOT LAKE, ONT.—INQUIRY AS TO REPORTED EVICTION NOTICES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of Public Works whether he is now in a position to deal with the question I brought up last week concerning housing difficulties in Elliot Lake.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I thank the Leader of the Opposition for asking this question. In reply I would say that of the 1,399 National Housing Act home ownership loans approved in Elliot Lake, 1,119 were made by the approved lenders to the housing companies sponsored by the mines for sale to mine employees, and 280 were made to individual home owner applicants.

The mortgages relating to 264 N.H.A. houses are currently in default and the approved lenders have advised C.M.H.C. of their intention to claim on the mortgage insurance fund. Two hundred and forty of the houses with mortgages in default are owned by the housing companies sponsored by the mines and have been acquired as a result of buy-back agreements between the housing companies and the mine employees who have left Elliot Lake. These houses are vacant. The remaining 24 mortgages in default relate to houses owned by individual home owners. The majority of these home owners have voluntarily vacated and transferred their property to the lender. As far as I have been able to determine there is only one instance where the lender experienced difficulty in obtaining possession from the home owner.

REPORTED RETRAINING OF UNEMPLOYED WORKERS

On the orders of the day:

Mr. Walter Pitman (Peterborough): I wish to direct a question to the Minister of Labour. In answer to a question regarding retraining programs for unemployed workers, asked on January 20, the hon. gentleman replied that facilities were being set up under schedule M of Bill No. C-49, not under the Canadian vocational training act. I am not able to find schedule M. Would the minister be kind enough to clarify the situation?

Hon. Michael Starr (Minister of Labour): Schedule M is in the agreements which are made with the provinces.

[Mr. Starr.]

Mr. Martin (Essex East): But the minister said it was in the new act.

Mr. Starr: The agreements are drawn up under the new act.

FINANCE

EFFECTIVE INTEREST RATES ON SMALL BUSINESS LOANS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to address a question to the Minister of Finance. As the official maximum interest rate was not stipulated in the statute setting up government guaranteed loans to small businesses, I wonder whether the minister has made inquiries to see what rates are now being actually charged under this statute, and whether they have proven to be uniform rates in all banks or whether he has found a variation, and if so what the range of that variation would be.

Hon. Donald M. Fleming (Minister of Finance): This matter has been discussed with representatives of the banks. The rates that are being applied are, as I am informed, rates suitable to the creditworthiness of the particular applicants, less an allowance which I believe is taken as one half of one per cent of the interest rate on account of the federal government guarantee.

Mr. Benidickson: Does the minister know what the range in rates has proven to be?

Mr. Fleming (Eglinton): The range in rates is between the prime rate of 5¾ per cent and 6 per cent, less one half of one per cent on account of the guarantee. According to my understanding, the effective rate thus ranges from 5¼ per cent to 5½ per cent.

Mr. Benidickson: Plus the insurance?

Mr. Hazen Argue (Assiniboia): I have a supplementary question. The minister does not have any information to the effect that the banks are following a procedure which would give them in fact a rate above 6 per cent?

Mr. Fleming (Eglinton): The banks have no power to charge a rate in excess of 6 per cent. That is the maximum established by the terms of the Bank Act. The prime rate is the rate, of course, established in favour of persons with the best credit rating. This rate at the present time is 5¾ per cent, as it has been for some months past.

(Translation):

CANADIAN NATIONAL RAILWAYS

OTTAWA—REQUIREMENTS OF CONCESSIONAIRE RESPECTING BILINGUAL EMPLOYEES

On the orders of the day:

Mr. Alexis Caron (Hull): Mr. Speaker, may I direct a question to the Minister of Transport (Mr. Balcer)? Is the minister aware of the fact that a concessionary at the Ottawa railway station forbids his employees to speak French under penalty of losing their job? If he is not aware of that, could he inquire about it and, if he is, would he be kind enough to act as he did at Dorval?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I did not know anything about what the hon. member has said, but I will inquire into it.

(Text):

SPORTS

HOCKEY—MINOR HOCKEY WEEK IN CANADA

On the orders of the day:

Mr. O. W. Weichel (Waterloo North): I should like to direct a question to the Prime Minister, Mr. Speaker. Is the Prime Minister aware of the fact that during this week the Canadian Amateur Hockey Association is sponsoring minor hockey week in Canada in which 200,000 Canadian youth will participate?

Right Hon. J. G. Diefenbaker (Prime Minister): I am aware of that fact, Mr. Speaker. I gave to that organization a message which I know would represent the views of all hon. members on what is being done by that organization generally and in particular by emphasizing the importance of junior hockey. The setting aside of a week for that purpose is most helpful to Canadians as a whole.

(Translation):

TRANSPORT

SOULANGES CANAL—REFERENCE TO REPORTED REMARKS OF MINISTER

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Minister of Transport? According to yesterday's *Le Devoir,* the Minister of Transport made the following statement at a Conservative meeting in the constituency of Vaudreuil-Soulanges:

Quebec advocates of patronage would give the Soulanges canal to their friends.

A little later he went on to say:

...''A bunch of patronage friends''...

Would the Minister of Transport care to tell the house whether his remarks were faithfully reported by the paper, and if so, would he take the house into his confidence as to the details of such a dark scheme?

(Text):

Mr. Speaker: Order. Before the minister answers the second part of the question, I should like to call to the attention of the hon. member who raises the question the fact that it is not in accordance with the practice to ask on orders of the day for verification of the truth of a newspaper report. A question about the substance of the matter reported is in order, and I raise no objection to that part.

(Translation):

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, those remarks have unfortunately been reported accurately by the newspaper. I was carried away by the enthusiasm in the hall. If I used terms which offended some of my colleagues, I wish to apologize.

Mr. Denis: Mr. Speaker, as a protection against the big bad wolves who would try to appropriate the minister's canal, would the minister examine the advisability of incorporating in any future sale of the Soulanges canal, a clause which would prevent such a dilapidation of crown property.

(Text):

Mr. Speaker: Order. I am not sure that the big bad wolves are any administrative responsibility of the minister. The question about a sale is purely hypothetical, and should not be asked.

(Translation):

THE CENSUS

On the orders of the day:

COMMUNICATIONS TO QUEBEC OF STATEMENT BY MINISTER

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce (Mr. Hees). Would the minister tell this house whether a copy of the statement he made in the house yesterday concerning changes in some of the 1961 census questions has been sent to the government of the province of Quebec.

Hon. George H. Hees (Minister of Trade and Commerce): No, Mr. Speaker. I am quite sure that they have already read with much interest the announcement published in the papers.

Inquiries of the Ministry

(Text):

HEALTH AND WELFARE

BRITISH COLUMBIA—REPORTED REFUSAL OF MEDICAL AID TO EMPLOYABLE UNEMPLOYED

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of National Health and Welfare. Has the attention of the minister been drawn to statements in the Vancouver press that in future the British Columbia government is going to refuse to supply medical aid to employable unemployed drawing welfare payments because of the refusal of the federal government to share the costs? If this is so, has the minister any comment to make and will consideration be given to the situation?

Hon. J. W. Monteith (Minister of National Health and Welfare): Yes, Mr. Speaker. I have not seen the article in question. I shall be glad to look into it and advise the hon. member.

GRAIN

LAKEHEAD—INQUIRY AS TO REPORTED STORAGE SPACE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to direct a question to the parliamentary secretary to the Minister of Agriculture, notice of which has been given. This question is caused by concern expressed at the lakehead over the very large storage space, over 18 million bushels, available in the elevators there and the fact that deliveries from the west by rail are very slow.

I wonder whether the department has any information which would substantiate or indicate that this situation is merely a temporary one, in view of the employment that is involved.

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for giving notice of his intention to ask this question. As of January 23, 1961, 76 million bushels of grain were in store at the lakehead terminal, an increase of 7 million bushels since January 11. A total of 4,488 box cars are en route to the lakehead. When these cars arrive and are unloaded the stocks of grain will total approximately 83 million bushels.

The total rated capacity for grain at the lakehead is 94,500,000 bushels, but it is recognized that working space must be kept available. It is estimated that the active working capacity at the lakehead terminals is 83 million to 85 million bushels.

[Mr. Hees.]

(Translation):

HOUSING

MONTREAL—REPORTED VACANCIES IN SUBSIDIZED PROJECT

Mr. C. E. Campeau (St. James): Mr. Speaker, referring to the Montreal *Gazette* of this morning, I see an article entitled, "Ex-Slum Dwellers Snub Dozois Bid, 248 Units Empty".

May I ask the Minister of Public Works (Mr. Walker) if he would inform the house whether or not these reports on the Jeanne Mance habitations in Montreal are correct?

(Text):

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I did read the article, and I am very happy to be able to say that these magnificent buildings, Habitation Jeanne Mance, in Montreal, have been a great experiment in subsidized housing. There are a total of 796 units, of which 524 units are already occupied, 174 finished units are vacant and 98 units are unfinished. We expect to have all units rented by May 1.

This project is administered entirely by the housing authority appointed by the city of Montreal, and it is true that many of the displaced persons have been placed elsewhere in satisfactory dwellings. That is quite often the way. These new projects are often slow in getting under way, as in Regent Park North, a similar enterprise in Toronto. However, we expect we will have a very happy experience in this greater Montreal experiment in subsidized housing.

TRADE

RUSSIA—INQUIRY AS TO NEGOTIATIONS FOR SALE OF WHEAT

On the orders of the day:

Mr. J. H. Horner (Acadia): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister. Have there been any negotiations regarding the sale of wheat to the U.S.S.R., and if so what is the present position of those negotiations?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, negotiations have been going on with representatives of the government of the U.S.S.R. I am hopeful that agreement will be arrived at in consequence of those negotiations for the sale of 150,000 tons of wheat.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, may I ask a supplementary question. May I ask the Prime Minister what has been the amount of deliveries to date under the 400,000 ton agreement made in 1959.

Mr. Diefenbaker: Mr. Speaker, of course the hon. gentleman realizes that I would not have that information. I will have it secured and made available.

NATURAL RESOURCES

INQUIRY AS TO PRESENTATION TO CONFERENCE BY TREE FARMERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, may I direct a question to the Minister of Northern Affairs and National Resources. Will provision be made on the agenda of the resources for tomorrow conference being held this year for member representatives of the Canadian tree farmers association to present a brief on behalf of the grass roots independent tree farmers?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, I thank the hon. member for his interest in this important conference. I can assure him that briefs will be welcomed from all provincial and national organizations interested in developing Canada's resources. We have not received a brief from this particular group as yet, but I can assure the hon. member that we will be very happy to hear from them.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, in view of the fact that the resources conference has solicited briefs from some 80 to 90 organizations, was any request sent to this organization to obtain their views in complete terms?

Mr. Dinsdale: Mr. Speaker, the co-ordinating committee of this conference is made up of a representative from each of the provincial governments. Through that channel invitations have been extended to all provincial groups to make their opinions heard.

COMMUNICATIONS

PACIFIC CABLE—INQUIRY AS TO DIVISION OF WORK

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport and ask him in view of the statement made in Montreal yesterday, I believe by the chairman of the Canadian Overseas Telecommunications Corporation, that a cable will be constructed between Canada and Australia, whether he can inform the house how the work of construction will be divided among the participating countries, the United Kingdom, Canada and Australia, and how much of the work will be assigned to Canada.

Some hon. Members: Order paper.

Inquiries of the Ministry

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have not the exact figures, but I will make inquiries and let the hon. member know tomorrow.

INDIAN AFFAIRS

GRAND RAPIDS, MAN.—REPORTED NON-PAYMENT OF AGREED WAGES

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration arising out of a Canadian Press report dated January 27—

Some hon. Members: Question.

Mr. Badanai: —concerning protests by Indians at Grand Rapids, Manitoba, to the effect that they are not receiving the wages promised by the Drake Construction Company of Winnipeg. Can the minister inform the house whether her department has made any attempt to protect the rights—

Mr. Speaker: Order. If I understand the hon. member's question correctly it relates to the payment of wages by a construction company, which surely is not any part of the administrative responsibility of the department.

[*Later:*]

Mr. Badanai: I wish to ask a question of the Minister of Citizenship and Immigration. Has the hon. lady received any representations from the Indians of Grand Rapids, Manitoba, regarding their wage difficulties with the construction company for which they work?

Mr. Speaker: A question about the receipt of a communication should, of course, be of sufficient importance to warrant its being asked. However, I think I might permit a reply to be made.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): No representations have been made by the Indians to my department. I would point out to the hon. member that the group concerned in the incident to which he refers includes many metis and people not of Indian blood. In these circumstances the whole matter is being handled by the provincial department concerned. However, in an effort to protect those Indians who are to some extent the responsibility of my department, we have been in constant consultation with the authorities of the province of Manitoba.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

INQUIRY AS TO TABLING OF ESTIMATES

On the orders of the day:

Mr. W. H. McMillan (Welland): I wish to address a question to the Minister of Finance. When are the estimates for the current fiscal year likely to be tabled?

Hon. Donald M. Fleming (Minister of Finance): Soon, Mr. Speaker.

CAPITAL PUNISHMENT—INQUIRY AS TO CRIMINAL CODE AMENDMENTS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Could I ask the Minister of Justice whether he is in a position today, or whether he will be in a position in the immediate future, to advise the house when the amendments which were forecast in the speech from the throne relative to capital punishment are to be introduced, in view of the fact that a second 14-year old boy has been sentenced to hang?

Hon. E. D. Fulton (Minister of Justice): No, I am not in a position to give a definite answer to that question, but the situation to which the hon. member has referred is very much in our minds.

POST OFFICE DEPARTMENT

TIMMINS, ONT.—REPORTED CARRYING OF MAIL BY STRIKEBREAKERS

On the orders of the day:

Mr. M. W. Martin (Timmins): I wish to direct a question to the Postmaster General; I regret that I was unable to send the hon. gentleman notice. Has the minister received reports or complaints from Timmins, Ontario to the effect that mail contracts are being carried out by strikebreakers at rates as low as 65 cents an hour and, if so, does the minister contemplate taking any action?

Hon. W. M. Hamilton (Postmaster General): I am not aware of having received any such complaints.

MONTREAL—REPORTED UNUSED VACANT SPACE

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I direct a question to the Postmaster General. Before I do so, may I express my joy at seeing his picture in this morning's newspaper. I looked yesterday but I could not find one, and I was worried because I thought the hon. gentleman was sick or something.

Mr. Hamilton (Notre Dame de Grace): My photograph was in two newspapers today. That makes up for yesterday.

[Mrs. Fairclough.]

Mr. Denis: Good for you. My question is this. Is the minister aware that in the Montreal post office almost 2,000 square feet were vacated and made available six months ago, since when the space has been used as a cloakroom. Will the minister—

Mr. Speaker: Order. I take it that the hon. member's question relates to an event of six months ago. It does not seem to me of very great importance and I suggest that unless he has a question of urgency to ask—

Mr. Denis: Mr. Speaker, this floor space is still available, and I want to know what is the purpose of retaining such a wide space without making proper use of it.

Mr. Speaker: The hon. member can get his answer on the order paper.

THE BUDGET

SUPPLEMENTARY FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Friday, January 20, consideration of the motion of Hon. Donald M. Fleming (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Mrs. Jean Casselman (Grenville-Dundas): Mr. Speaker, it is with much pleasure that I rise today to support wholeheartedly the budget presented before Christmas by our honoured and admired Minister of Finance.

In accordance with our system of government, those who receive the least support in the country find themselves obliged to find fault with the government. This obligation can impose quite an effort at times, and never has criticism been so confused and contradictory as it is at the present time. There are those who say the government has worked too slowly and those who say it is working too fast; there are those who say it is doing too little and those who say it is doing too much. I submit that the very confusion of the criticism is as great a compliment as the government could receive.

I have, naturally, known many members of the opposition for many years, and I like them personally. Since I have been sitting in this house as a member my respect has increased for those whose honesty of purpose keeps them so hard at work. But I have decreased respect for those who are irresponsible in placing upon this government a degree of responsibility which no thinking Canadian would want any government to accept, a degree of responsibility which was not accepted by the Liberals in 1938 when the unemployment figures were greater than they are at the present time—11.4 per cent—or again in 1939 when the percentage was

11.4, or in 1940 when it was 9.2 per cent. Other countries must look at us in amazement. They have their employment problems also, as all democracies do. I submit that it is bad enough to be making a political football of unemployment, but the lack of facts and realistic figures produced by the opposition sometimes makes me think the subject is being blown up into a political beachball.

This easy political approach is very understandable but none the more commendable for that. My learned and honourable friends in the opposition know full well the dangers of irresponsible and unrealistic criticism of any government—

Mr. Pearson: We ought to. We listened to it for long enough.

Mrs. Casselman: They should know better than anyone else in this house the basic impossibility of suggesting at the same time more and more government expenditure and less and less taxation. We are all very much aware in this house of the loss both to the country and to individual happiness which results from unemployment, but I submit that it is equally detrimental to Canada to try to lead more and more people to expect more and more solutions, more and more assistance from the government. If we are to continue with our free enterprise economy we cannot go on increasing government obligations indefinitely without increasing government restrictions and controls to say nothing of the taxation involved.

Anyone who has sat in this house for many years or who has analysed cause and effect has observed that some of our most insidious problems today have arisen from government succumbing to pressures and devising for their own immediate popularity solutions which have been detrimental to individual Canadian character, to pride of achievement, to ambition and to honesty itself.

I was interested in a press report of a statement made by my charming colleague from Niagara Falls (Miss LaMarsh) when she said that her party should prefer to be right rather than popular. I should hope that anyone connected with politics would adhere to that principle.

The hon. member for Essex East (Mr. Martin) was reported during the Christmas recess to have suggested that if private enterprise could not cure unemployment he would approve of and agree with public ownership. I suggest that much of the question whether private enterprise can succeed depends on the individual Canadian's attitude. From anything I have seen, read or heard I do not think that socialization produces any more, if as much, efficiency. I want very much to see the challenges of competition remain for Canadians and the satisfaction of meeting these challenges by individual initiative and energy.

I commend the government for accepting its share of responsibility for employment. I commend it equally for not falling prey to all the slick, comfortable, socialized recommendations that have been made, and for placing upon individual Canadians their share of responsibility, too. I know there are many who welcome this attitude. We have all heard in this house and outside the importance of small businesses as a source of diversified employment. I commend the government for its action in raising from $25,000 to $35,000 the bracket subject to 21 per cent corporation tax. As mentioned by my colleague and political neighbour, the hon. member for Carleton (Mr. Bell), in his sound and excellent speech last week, this becomes doubly important when added to Bill No. C-40 passed before Christmas respecting loans to small businesses. If the percentage of small businesses interested in this legislation in Grenville-Dundas is any criterion, it is going to be welcomed and much used.

The fact that tourist business is included in this provision is of great importance to my area. Last September we opened the new international Prescott-Ogdensburg bridge over which we hope to attract many United States tourists next summer. We welcome all assistance that will bring these visitors to our country, that will assist our small businesses to give them service and do business with them.

In Grenville-Dundas we have historic sites that are among the earliest in Canada. Next July the Ontario St. Lawrence parks commission will open upper Canada village, which is already being visited as a wonderful example of historic preservation. Canada has many facilities for tourists, and with the sound policy of this government and the welcome and courtesy of our individual Canadians we can act Canadian, sell Canadian, see Canadian, enjoy Canadian and change the $200 million deficit in the tourist industry to a $200 million surplus. Without setting up restrictions or subsidization this government has improved the situation for this great industry so infinite in its expansion possibilities.

By making borrowing abroad less attractive our Canadian dollar is reaching parity with the United States dollar. The benefits of this situation are well-known to the people of my district, and we will benefit greatly next tourist season. Even now we are feeling the benefit in our export selling across the border.

The people of Grenville-Dundas are representative of the best type of sane Canadian thinking based on social stability, and realize the interplay of cause and effect. We are indebted to Mr. McLaughlin, president of the Royal Bank of Canada, for recently reminding Canadians in clear and understandable language that the interest rate does not fluctuate by the winds of chance or by manipulation by goblins or fairies, but is the result of supply and demand. This was very obvious when the former government dipped into our money supply to an extent that is still being borne and will have to be borne for many years to come, and that contributed in no small measure to our present problems.

One does not have to be a particular student of economics to have observed with terror what happened in the past to the value of money in Germany and many other countries. We may not always find it to our advantage to live strictly within our income at any given moment, but let us recognize and not forget the effects of borrowing. Let us not become so accustomed to living on borrowed money that we become confused and blame other causes for the results it brings, or like spoiled children hope for a fairy godmother to make some wonderful arrangements that will change the hard realistic facts.

We are responsible for our own development, and if out of laziness and misunderstanding of the facts we allow others to take over more and more of it, we may expect that it will not be entirely to our benefit or our liking, and we will lose our identity as a nation. It is a hackneyed phrase but none the less true that he who pays the piper calls the tune. We show lack of faith in Canada if we express fear that Canada has not the strength to withdraw concessions to other countries when this is necessary for her own survival.

It is far from complimentary to our colleague in the western alliance, our friendly neighbour to the south, to suggest that she would have so little understanding of business that she would object to our concern for our own balance of foreign payments, our own future, a concern that she constantly has to deal with for her own economic health. Comments in large and respected United States newspapers show an understanding of our problems and an expectation that the time has come when Canada has to decrease her inducements to foreign investment. It was surely never intended that these inducements were irrevocable and should not be given critical appraisal, even when foreign capital owns about 70 per cent of our industries.

The financial critic of the official opposition, the hon. member for Kenora-Rainy River (Mr. Benidickson), himself commended the Minister of Finance, as reported at page 1043 of *Hansard* of December 21, for proposals which will encourage further participation by Canadians in savings and investments in Canadian enterprise. I would hope that the government will give sympathetic consideration to further steps which will make investment by Canadians in Canadian stocks still more attractive. Deduction by Canadian corporations of their dividend payments from their taxable income—in other words removal of double taxation—is being widely discussed and recommended as one means, and it would seem to be a reasonable and flexible means.

There is one type of investment which interests me more than all others, however gold-plated they may be. Like all parents I should like to be able to provide a happy future for my children, but I see no sure way of doing this except through the highest possible development of their own indivdual potential so they may lead satisfying and productive lives. To do this I hope to instil in them the value of education, not in any one particular phase of education or education at any particular level, and not just schooling, but an acceptance of a continuance of the educational habit all their lives in the same manner that they accept habits of good health. I believe this is the greatest hope, not only for my children but for the whole world. Sympathy, respect for one another, understanding can only be increased by learning, and will be lost in ignorance.

We can learn from the communist countries, who do not waste time worrying about consumer goods or housing or clothing for so many millions of people, but reiterate over and over again how rich they are because of those millions of people. I submit, Mr. Speaker, that in this country we must educate and raise to the highest levels of productivity our small number of 18 million if we are to expect to compete in world affairs.

The assistance given to vocational and technical training by this government is an excellent step in the right direction, but I should like to see more concentrated thinking toward economy and better organization of our educational facilities. I hear much criticism from new Canadians about the fact that we do not sort out soon enough the ambitions and the talents of our young people. Consequently they become discouraged and frustrated. The second criticism is automatic, that we do not expect the high standards that could be achieved and that are demanded in other countries. I believe that encouragement of excellence, challenge

to pride and self-sufficiency are essentials of schooling if it is to be any basis for lifetime educational habits.

We constantly hear and read of the need for excellence in workmanship if we are to be an exporting nation. The products of our universities must aim at equal excellence in higher mathematics, science and engineering if we are to compete in the research so necessary for new ideas, new processes and new patterns of thought. I would recommend that the federal government give more encouragement to research, possibly by tax encouragement to companies according to their staff and expenditures in this regard. This would serve the double purpose of increasing our productivity and making it possible to keep our highly trained minds in Canada.

Time does not permit me to digress into the involved problems of the electronics industry, but the research already done by this industry is very great and they are on the threshold of the most advanced developments. In the interests of Grenville-Dundas, where we have a large electronics plant, I urge the government to consider most seriously the effects of unfair competition from low wage countries.

I do not believe this ambition for excellence, which demands all-out effort, will likely develop if the way is made too easy. Free education at all levels is an attractive idea, but I doubt whether it is very practical at the present time when municipalities and provinces are already staggered by the tax burden for educational puposes. There is the strong psychological stimulus to obtain returns from investment, and this increases if the investment is made directly and voluntarily by the student himself. I fear that our high standard of living tends to lead all of us to feel that a great deal is due us, and we forget that this high standard came about by somebody's effort and will not be maintained without continued individual effort.

I should like to see federal loan banks for education available to all, young and old Canadians, not particularly based on need or the highest excellence in scholastic achievement, but on the prime requirement of a desire to learn. A revolving fund should be kept replenished by those who benefit most in this generation for those of the next generation, and who would be the first to recognize the enormous cost of university buildings, laboratories and libraries, and the competition for the best brains in the world, teachers and professors. It seems to me that if we have industrial loans, farm loans and loans for small businesses, we should certainly have loans for the development of the greatest resource we possess. I think the government's investment in a bright, ambitious Canadian is just as safe as it is in any other loan, and personally I would much prefer to have a mortgage on a bright young Canadian than on any 100 acres of land. The benefits of education are not only in obtaining the best possible preparation for the demands of a rapidly changing world and in the self-confidence enjoyed by a trained and challenged mind, but in actual dollars and cents as well.

A United States survey last fall showed that a young person in the United States in 1960 could expect to earn about $200,000, more or less, in a lifetime, depending on education. The potential lifetime earnings of a grade school graduate were estimated at $139,000, of a high school graduate at about $243,000, and of a university graduate at about $343,000. We are grateful to the Minister of Finance for his tax relief to students and their parents in making university fees deductible from a student's earnings and in determining his qualifications as a dependant.

I hope that future budgets will show the results of continued study of education in all its facets. This is by no means a sudden or unexpected need in our society, but one that becomes more pressing with world competition and automation. I feel strongly that we should concentrate more on developing strength and pride in Canadians while they are young and ambitious. If we did this we would be called upon less to relieve suffering of various kinds later in their lives.

The encouraging and assisting of our young people to obtain more education will not only prepare them for the skilled jobs now available, but will immediately remove a considerable percentage from the numbers of the unemployed. Mr. Davidson Dunton, president of Carleton University, as reported in the Ottawa *Journal* of December 5, 1960, said:

> The present university enrolment is about 10 per cent of the 18-21 year old age group. It should be 25 to 40 per cent.

If Canadians are better educated it will facilitate the process of working together that is so essential for making use of our great opportunities. Excellent work was done by the Department of Trade and Commerce in setting up the recent trade conference, and it is being continued in the encouragement of our businessmen to export to the markets of the world. The budget provision to enlarge the tariff board to expedite its work and the reassessment of the interpretation of class and kind are excellent steps which the government has taken to encourage Canadian production.

These efforts at government level, good as they may be, can easily be killed by lack

of co-operation between management and labour. No one can force or order people to co-operate. The only means of obtaining more co-operation is to increase learning and understanding of one another's problems, one another's aims and a combined determination to make Canada a good place in which to live. If any group has more allegiance to profits for themselves, or to leaders in other countries, or to other ideologies, then we must expect a lack of co-operation, we must expect that we will not be able to be competitive in world markets, and Mr. Khrushchev's threat to ruin us without firing a shot will come true.

I believe the government's policy of sending representative groups of Canadians to other countries to study their techniques and their progress and to act as temporary roving salesmen and ambassadors should continue, but I should like to see these groups include management and labour leaders as well, because the facts should be equally impressed upon both these groups who together are responsible for the success of our Canadian enterprises. I have faith in Canadian labour. I believe if this were done there would be more Canadian leadership of our labour groups. This could not be considered unduly nationalistic; it is ordinary good business.

This equal knowledge of our competition will give both management and labour the increased determination which our Minister of Trade and Commerce has been pointing out is needed, and will also give them confidence in one another's goals and in one another's aims. It seems to me too much time has been wasted in this country in suspicion of one another's aims and much too little time concentrating on the effort needed in international competition, upon which one third of Canada's population depends for a livelihood.

Recently there has been increasing stringency in the demands upon their workers by East Germany and other communist countries. In the race for improved quality and increased quantity the people who actually work on the product are in control. Industrial workers in Canada are individually just as good Canadians as the members of this house, and every effort should be made by management and government to explain our problems to those who can do so much to assist us in solving them. In our democratic system Canadian workmen have the power, and with it the responsibility, to see that their leaders put Canadian interests first. The government's responsibility is to see that the way for this is cleared of the confusion and frustration of of international demands which may not apply to our Canadian situation.

[Mrs. Casselman.]

Further to this effort to learn about and understand others' problems, I should like to see some consideration given to the possibility of all members of parliament taking an educational tour of Canada within six months of their election to this house. The potential impact would be enormous. Many members come to this house excellently qualified to represent their own districts but without any idea of the equally important problems of other districts. The process of co-operation and compromise so essential at the federal level would be greatly facilitated. This may not be a new idea, because it comes to me from the files of history. Many generations ago Plato pointed out that knowledge distinguishes the true statesman from the false, as knowledge distinguishes the physician from the quack, and that education is indispensable to a good state.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, this afternoon I should like to deal with three matters which I consider to be of capital importance.

Before doing so, however, I would ask the hon. member for Grenville-Dundas (Mrs. Casselman) who has just spoken, to forgive me if I do not agree with her and do not support the views she expressed in the first part of her speech.

We, on this side of the house, were a bit envious because until quite recently we did not have in our ranks a member of the fair sex. We are proud now to have among us the member for Niagara Falls (Miss LaMarsh) who impresses the house by her charm no less than by her ability. I am convinced that, after the next election, we shall have more than one woman member on this side of the house.

The first matter I wish to deal with was mentioned by the Minister of Trade and Commerce (Mr. Hees) in his statement. I read very carefully the statement made by the minister about the census, and the changes he intended to make in questions 8 and 10. I also carefully read the dominion statistician's letter that the minister put on the official record. This letter shows the intention of the dominion statistician, Mr. Duffett, to rephrase certain questions that will be asked in the next census, and in particular, question 10 which will henceforth refer to the ethnic origin.

At first sight, the explanation does seem entirely satisfactory and acceptable to us on this side of the house. However, I must add that, before taking a final stand and voicing our opinion on the matter, we shall neces-

sarily have to wait until the dominion statistician has rephrased those quotations and until the revised form is issued.

Meanwhile, I congratulate the minister for his statement, which managed to pull him out of a bad spot. The problem was the government's own doing. The government created this crisis. The government, and the government alone, is responsible for the situation in which it finds itself. This action gave rise to a general outcry not only in the province of Quebec but everywhere in Canada.

It gave rise to a shower of protests. Today, in the face of these mass protests, the government has decided to back down, to give up, to retreat and to restore things as they were.

This crisis, Mr. Speaker, had harmful effects on national unity. In fact, the decision announced by the minister, quoting the director of the dominion bureau of statistics, should have been taken at the very start of the trouble.

Indeed, the census is first of all a scientific procedure designed to give us a true picture of the people of Canada, to reveal the true composition of the people of this country.

And precisely because of the scientific purpose of the census, it should be left in the hands of experts in this field, instead of being subjected to government interference.

The dominion bureau of statistics had decided on its own to proceed with a poll in June 1959. To that end, a form was prepared and submitted to the people in the towns of Brantford and Joliette. It contained the same words, the same question and the same suggested answer; in short, it was entirely similar to that of the 1951 census.

The poll taken in the two communities I just mentioned did not, however, contain the word "Canadian" as the first item on the list. Since the D.B.S. is administered by the same experts as in 1959, we are led to believe that the change made after 1959, with regard to that question, is the result of some intervention or direct interference on the part of the government.

Mr. Pigeon: Tell us about Mr. St. Laurent.

Mr. Denis: Mr. Speaker, you heard, as we did, on several occasions, the interjections of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon).

Mr. Dupuis: And those of the hon. member for Roberval (Mr. Tremblay).

Mr. Denis: This is not the first time, Mr. Speaker, that we hear the cawing of those crows. You have been tolerant with them. I believe that it is now time that those hon. members be requested to keep quiet. If they have something to say, let them rise in their proper turn.

Mr. Speaker: It is true that it is against the standing orders to make interjections when another hon. member is speaking, even on a point of order. I recognize the hon. member for Laurier.

Mr. Pigeon: Mr. Speaker, on a question of privilege. The hon. member for St. Denis used an unparliamentary expression, when he spoke of two hon. members in terms which he should apply to himself.

Mr. Dupuis: You feel the cap fits you.

Mr. Chevrier: As I said, the poll in both towns did not contain the word "Canadian". Consequently, it was after the 1959 poll, and before the 1961 forms first came out that a change took place which could only come from one source, the government.

In putting an end to such interference and deciding to refer the matter to experts in this field, the government is only trying to get out of a mess of its own creation. However that experiment will cost the Canadian taxpayers no less than some $100,000, as new forms will have to be printed.

I must commend the minister for recognizing his error and his willingness to rectify it. I know, he will hardly expect me to commend him for having, together with his predecessor, the present Minister of Veterans Affairs (Mr. Churchill) made this serious error which could endanger Canadian unity by depriving it of cultural diversity which is its essential factor.

May I hope that the minister will profit by that lesson and that from now on he will resort to expert advice. As a matter of fact, this was not the first of his mistakes. I recall that on one occasion he refused to accept a decision of the air transport commission, thus courting unnecessary trouble in this house and throughout the country. If he had followed the recommendations of experts in the matter, the government and the Conservative party would not have been out on a limb, as they were until yesterday.

I therefore say that, in future, the government will have to accept expert advice and take into greater consideration the history and traditions of this country which, according

to what the Leader of the Opposition said on many occasions, may be summed up in these three words: "Unity without uniformity."

Before concluding my remarks on this matter, I should like to reply to those that I shall not call parrots, for I do not want to be impolite, but to the backbenchers who have constantly mentioned the name of Mr. St. Laurent.

What did Mr. St. Laurent do? I shall tell those hon. members: in 1951, there was only one question on ethnic origin. It was question 17: What is your origin? There was a choice of 18 answers. The Canadian origin, which, incidentally, is not an origin but a nationality, did not appear at all in question 17 in 1951. Here are the facts as they happened. Mr. St. Laurent or the government of the day was asked what should be done should an individual say: I have no origin, I prefer to say I am a Canadian. Mr. St. Laurent simply answered: There is an open space at the end of question 17; you may write: "Canadian origin".

But neither the former government nor Mr. St. Laurent have ever given instructions, as did this government, to place at the top of the list the term "Canadian origin".

I now come—

Mr. Paul Martineau (Pontiac-Temiscamingue): Before the hon. member goes on to another matter, may I ask him a question?

Mr. Chevrier: Yes, Mr. Speaker, provided that I am allowed more than 30 minutes and that the time taken by this question be deducted of my allotted period.

Mr. Speaker: Obviously, I cannot agree to the request of the hon. member, unless the house gives its unanimous assent. Otherwise, the time taken by the questions would have to be part of the hon. member's allotted period.

Mr. Chevrier: Well, you will have to ask your question at the end of my remarks.

Mr. Martineau: I believe the hon. member has been give the consent of the house.

Mr. Chevrier: In that case, I shall listen to the hon. member.

Mr. Martineau: Would the hon. member tell the house whether, in his opinion, the question concerning ethnic origin, as expressed yesterday by the Minister of Trade and Commerce, is better than the one that was used in the 1951 census form?

[Mr. Chevrier.]

Mr. Chevrier: Well, I do not know whether it is better or as good. The point is that the government, by its interference, has changed the nature of the question.

Mr. Martineau: My question was addressed to the hon. member, and I expect an explicit answer.

Mr. Chevrier: I say that the government, by its interference has changed the nature of the question and has tried to confuse the distinction between nationality and ethnic origin.

Mr. Martineau: The question is of a scientific nature and I would like a scientific reply.

Mr. Chevrier: If the hon. member would be good enough to put off his question until I have finished my speech, I shall have no objection whatever to it.

I shall now pass on to another aspect of the discussion, namely some of the statements made by the Minister of Finance in his budget speech.

Ever since the beginning of this session, the government has kept tooting its horn about what it has done, about the bold measures it claims to have taken to meet the situation. It has been doing it before the house met again in January, and since then.

There have been repeated references to this by the Minister of Finance in his budget speech, and yet the changes made in the budget for the current fiscal year show very clearly the government's failure to act in that regard.

In fact, the so-called emergency program was adopted by the house before the supplementary budget was introduced, but it had no effect whatsoever on the budget itself. As proof of this, let me briefly analyse the figures given to us by the minister. On the expenditure side, he had to add $100 million to his estimates of March 1960. Was this increase in the estimates designed to help the unemployed, to meet the present state of emergency? Not at all, Mr. Speaker.

As the house knows, this increase in expenditures is due to the increased deficit of the C.N.R., of the agricultural stabilization board, and to the one dollar per acre payment to western wheat producers.

If, therefore, the minister gave us an accurate picture of the financial situation of the government, the so-called special program adopted before the Christmas recess, will not cost a cent to the government during the current fiscal year.

It is the same with revenue. The Minister of Finance had to reduce by $200 million his estimated revenue for the current financial year. But why?

This revision is due first to the current recession, and then to an erroneous forecast on the part of the Minister of Finance. He made a mistake in his forecast by estimating a $12,000,000 surplus whereas, in fact, as he himself admitted, there will be a deficit of close to $300,000,000.

This means that the government, which claims to have done so much to fight unemployment at this time, is not even considering spending a red penny of its budget to straighten out the present economic situation and fight unemployment. There have been no special tax reductions during this fiscal year. The Minister of Finance still refuses to turn to the most important means of easing the economic situation, which are monetary and fiscal policies.

What is, therefore the government's policy? It consists in offering loans. Indeed, the government is specializing in loans; easier loans will be offered individuals towards the purchase of a house or for home improvements, loans are being offered to businesses, and subsidies to provinces for the building of technical schools. Loans will even be offered to universities. Yet, the Conservatives had promised to stop federal aid to education.

The program of the government before this session can then be summed up in three words: loans, more loans, and again more loans.

Mr. Grafftey: You voted for them.

Mr. Tremblay: You voted for taxes, and taxes and taxes.

Mr. Chevrier: It is obvious that because of those interruptions, and especially because of the new provisions of the standing orders, I will not be able to say all I would like to in the 30 minutes at my disposal. I will therefore revert to another point of my speech.

(Text):

Mr. Speaker, we had a very remarkable performance on television not long ago by the Prime Minister of this country.

Some hon. Members: Hear, hear.

Mr. Chevrier: The Prime Minister delivered himself of quite a colourful oration. Everything was splendid in Canada, so he said; unemployment was not a problem in our country; there is no emergency; there is no recession. He does not even admit the existence of the recession. In any event, nobody is exercised about the recession in Washington. Instead of getting from the Prime Minister of this country a frank and fair appraisal of the economic situation as we find it and the proposals which the government intends to bring down to deal with it, we are told that everything is in ship-shape condition.

I have here some of these statements whereby the Prime Minister tried to divert attention once again from the subject of unemployment by stating that we had the highest employment ever at the present time in our country. But before I come to that, we had at the beginning of this speech a recital of the tremendous development projects consequent upon the national development policy of the Conservative government from one end of the country to the other. Here is a recitation province by province, region by region of all these projects. I take, for instance, what was said about the province of Quebec, and listen to this:

> Well, there 300 miles of railway have been built by private enterprise.

That statement is not accurate. There is only one railway of 360 miles built by private enterprise in the province of Quebec, and that is the Quebec North Shore Railway. It is 360 miles long and was opened on July 31, 1954, long before this government ever came into office. Then we have this statement:

> A new Mattagami branch is projected by the C.N.R. And it's worth noting this, that the total new railway construction under way in Canada to promote resource development exceeds that of the rest of North America.

With regard to the new Mattagami railroad, the resolution is on the order paper; it has not even been discussed, but the Prime Minister is blowing about it already. Not one word, however, is said about the 300 or 400 miles of railway built in the province of Quebec by the former administration, the branch lines from Barraute to Kiask falls, from Kiask falls to Beattyville, from Beattyville to Cache lake, from Cache lake to Chibougamau and to St. Felicien, practically 400 miles long. Not one word is said about that. However, I do not blame the Prime Minister for not mentioning it. What I do blame him for is making statements in his speech across the country that are not only inaccurate but untrue. Here is another example:

> We're doing something for the ports of Montreal and Quebec and the harbours elsewhere in the province are being expanded to meet the demands of expansion.

The plans and specifications for the development of the port of Montreal were announced long before this government came into office. They were announced by my

predecessor, Hon. Mr. Marler, and in part put into effect before this government ever took office. It boils down to the old story which the Minister of Transport expressed very well the other day: "They build them, but we open them." That is about what it amounts to.

Then I come to another statement of the Prime Minister. He had been talking about unemployment in Canada and then he moved on to talk about unemployment in the United States. He said:

> Indeed, unemployment in Canada has been less in comparative terms than in the United States.

That statement is also untrue, and I intend to dispute it. I have here a statement which I have prepared and which is taken from the Canadian Statistical Review of December, 1960, and the survey of current business, United States department of commerce, December 1960, which indicate that at no time in the 11 months under consideration has the unemployment situation in the United States been worse than in Canada. On the contrary, it is just the reverse.

I would now like to put on *Hansard*, with the permission of the house, a statement entitled "Unemployment as the percentage of the labour force, seasonally adjusted, 1960", comparing the conditions in Canada with those of the United States, taken from the Canadian Statistical Review, December 1960, page S-3, and the survey of current business, December 1960, page S-11. This survey will indicate that for the first 11 months of 1960—

Mr. Deputy Speaker: I understand that the hon. member requests leave from the house to have this table printed in *Hansard* at this point. Does the house agree?

Some hon. Members: Agreed.

[*Editor's note: The table referred to is as follows:*]

Unemployment as a % of labour force
Seasonally adjusted
1960

	Canada*	United States†
January	6.1	5.2
February	6.5	4.8
March	6.6	5.4
April	6.8	5.0
May	7.2	4.9
June	6.6	5.5
July	7.1	5.4
August	7.6	5.9
September	7.2	5.7
October	7.6	6.4
November	7.5	6.3

*Canadian Statistical Review, December 1960, page S-3.

†Survey of Current Business, December 1960, page S-11.

Mr. Fleming (Eglinton): There could, of course, be no objection to the hon. member putting on record any statement taken from any official Canadian government source. But so far as he is attempting to draw a comparison with figures—

Mr. Martin (Essex East): The minister has no right to make a speech.

Mr. Fleming (Eglinton): I have a right to indicate whether consent may be given to the portion of those figures being put on the record which are not from Canadian government sources but from United States government sources. I think the house should know a great deal more about the basis of comparison because the statement made by the hon. member is not in accordance with statements which have come from the United States in the last 48 hours. As I say, I have no objection to the hon. gentleman putting on the record any figures from Canadian government sources.

Mr. Chevrier: Since the minister has no objection and since I have shown whence the figures come, I simply want to indicate that these figures show that for the first 11 months of 1960 unemployment as a percentage of the labour force, after allowing for seasonal factors, averaged less than 5 per cent in the United States and that during the comparable period Canada's unemployment averaged 7 per cent of the labour force.

Mr. Fleming (Eglinton): No.

Mr. Chevrier: At no time during 1960 did the United States have as much unemployment in terms of its labour force as did Canada.

Mr. Fleming (Eglinton): May I ask the hon. gentleman a question? Is he saying that he has Canadian government figures which show the average unemployment in the first 11 months of 1960 to be 7 per cent of the labour force of Canada? There are no government figures which show that difference.

Mr. Chevrier: The government figures are here, taken from the Canadian Statistical Review, and during a comparable period they indicate that for the first 11 months Canada's unemployment averaged 7 per cent of the labour force. That is clearly what these figures say; that is what they indicate. In December, 1960, 8.2 per cent of our labour force was unemployed, or 528,000 people. It is true employment has increased over the 12-month period by 1.3 per cent, but nevertheless unemployment in December, 1960 is 30 per cent higher than it was a year ago.

Then we pass on to some more of these extraordinary statements made by the Prime Minister (Mr. Diefenbaker). Toward the end of his speech he complained very bitterly about those who exaggerate the problems

in this country, those who criticize in opposition without offering any effective solution. If those hon. members who are here now were in the house the other day when the hon. member for Bonavista-Twillingate (Mr. Pickersgill) spoke and put on record in *Hansard* the speech made by the Minister of Finance himself when he was in opposition, I would ask them this question: How could anybody have made the kind of statement which the Minister of Finance made then when the unemployment situation in Canada was a fraction of what it is at the present time? Moreover, the language used by the Minister of Finance at that time was far worse than that used by anyone sitting on this side of the house.

I have not time in which to deal with this matter more extensively but I do want to add one word with reference to this phrase in which the Prime Minister says we exaggerate and criticize in opposition. The Prime Minister or those who sit on the other side of the house must not have been listening—I will not say they must have been asleep—when the hon. member for Essex East (Mr. Martin) and myself and so many others made submissions to the government which the Minister of Labour said he was going to study—

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

Mr. Martin (Essex East): Did Your Honour take the interruption into account?

Mr. Deputy Speaker: I took into account the agreement of the house and I have given the hon. member an extra three minutes. However, if the house is prepared to give unanimous leave for the hon. member to continue—

Very well, I recognize the Associate Minister of National Defence.

Mr. Chevrier: I rise on a point of order. I understand from the Chair that the figures which I asked permission to table have not been accepted; they have been returned to me. I was under the impression that those figures had been accepted.

Mr. Martin (Essex East): The house agreed.

An hon. Member: No.

Mr. Chevrier: I understood that the house agreed.

Mr. Deputy Speaker: There must be a misunderstanding. I understood that there was not unanimous consent. I will ask again whether there is unanimous consent and if there is I have no objection to the figures being put on record.

Mr. Chevrier: On the point of order, it is a common practice in this house to give a member of parliament the right to put on record in *Hansard* tables of this nature, particularly when they are taken from government sources.

Mr. Deputy Speaker: To my mind, it is not so much a question of practice. The idea is that no document may be printed in *Hansard* unless unanimous consent is given by the house. Unless the house is prepared to say that there was unanimous consent, the Chair must consider that there was not.

Mr. Martin (Essex East): That is a most fatuous statement.

Mr. Fleming (Eglinton): What I sought to convey was that there is no objection to the printing of this table or any table when it contains figures drawn from Canadian government sources but I understand that the hon. member was seeking to add to his submission a series of figures drawn from the United States, it may be from an official publication—I think he indicated it may even be an official publication of the United States government. What I wish to draw to the attention of the house at this time was that the basis of comparison is not included in the scope of the tables. If the hon. gentleman chooses to put on record figures drawn from these United States sources and he is prepared to stand behind them, however, I think that the house would agree to give consent to those figures being printed, but this is not an agreement that these are figures which are capable of comparison.

Mr. Deputy Speaker: I think the only problem the Chair has to decide is whether the table can be printed, because the hon. member was, of course, allowed to recite the table and put it on record in *Hansard*, accepting the figures as coming from a reliable source as far as he was concerned. The question was whether there was unanimous consent to their being printed at that particular point in the hon. gentleman's speech. If the house is prepared to say there was such unanimous consent that will be right now.

Mr. Fleming (Eglinton): I think the house would not withhold unanimous consent to a request made by the hon. member, with the proviso I have mentioned about the basis of comparison.

Mr. Deputy Speaker: The question is not whether there is a reservation as to the content of the table but whether there is a unanimous consent to having the table printed. That is the only point.

Mr. Fleming (Eglinton): I am sure that the house will give unanimous consent.

Mr. Deputy Speaker: Then I record that there was unanimous consent and that the table should be printed at the point mentioned by the hon. member for Laurier in the course of his speech.

Mr. Martin (Essex East): I do not believe it is the practice in this house for such a request to be formally put. The house indicates its consent in a general way. That has been the practice. It is not necessary, I take it, for the Speaker to put the motion formally.

Mr. Deputy Speaker: Order. I think the Chair has made the point very clear. If the Chair is putting the question more formally now it is because there was doubt as to whether or not the matter was clear previously. The incident is closed.

(Translation):

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, for the last 30 minutes, we have heard the hon. member for Laurier (Mr. Chevrier) criticize the policy of the Conservative government. Before I get down to the gist of the matter, I should like to single out certain remarks made by the hon. member about the decennial census, and most particularly about the statement made in the house yesterday by the Minister of Trade and Commerce (Mr. Hees).

I thank my excellent friend, the hon. member for Laurier for the kind words he had for the government and the Minister of Trade and Commerce, concerning the attitude taken on that matter. Had he confined his remarks to the congratulations he addressed to the Minister of Trade and Commerce, I think his comments would have been much more appreciated than the rest of his speech, because the latter part of his remarks clearly reveals the Liberal opposition's spite against the government's attitude, such spite being provoked by the fact that the Liberal opposition, wishing to follow its well known tradition of dividing in order to better rule, was deadly intent on making a political football of that census question.

It is indeed unfortunate for the election purposes of our friends opposite that this political football should have exploded, but it is certainly preferable for national unity that our country should be led by a government which, because it is anxious to find the truth and to achieve the purpose of that census, should have decided to consult experts on the matter, so that the formula submitted to our people might be one based on scientific and accurate data. I repeat it is unfortunate that our friends opposite should have wished to arouse public opinion about that matter and tried to resort to it for election purposes, but it is certainly desirable for national unity in Canada that the matter should have been settled along the lines suggested by the Minister of Trade and Commerce.

Mr. Speaker, these last few days, I have listened carefully and with a certain amount of surprise to the statements made by our hon. friends of the opposition about the steps suggested by the Minister of Finance (Mr. Fleming) in the supplementary budget he introduced in the house in December last. That budget was prepared by the minister after lengthy studies of the economic circumstances prevailing across the country, and after detailed and toilsome consultations with financiers, industrialists and leading businessmen across the nation, as well as after consultation with representatives of the professions and labour organizations. That budget, so carefully prepared was well received generally across the country, and the opinion of our fellow citizens was reflected in the many editorials we have read both in our daily newspapers and in our weeklies and which, for the most part, commended the Minister of Finance.

Mr. Speaker, that budget was not easy to prepare, because it had to include short term provisions in order to maintain the present momentum of the Canadian economy. Long term provisions had also to be introduced, whose benefits will be felt in years to come.

On the other hand, care had to be taken not to indulge in those ultra-socialistic excesses recommended by the Liberal party in the platform it submitted to its followers at its recent rally, the result of which would be to destroy our economy.

Mr. Speaker, it is clear enough that this budget was studied carefully by the members of the opposition, and it is clear enough also that they approve it in great part, and for many reasons.

I should like to say first that the congress committee established to study measures to meet the unemployment situation existing among our mighty neighbours to the south, the American people, suggested to the U.S. authorities measures identical to those we have considered ourselves to help the unemployed of this country.

If those measures which we adopted without any prior consultation with our neighbours to the south meet their approval, it is a sufficiently clear indication that they are efficient to some degree and that they are considered as serious by people who know about such things.

Another thing makes us believe that our friends opposite are probably not too sincere when they criticize the measures contained in the budget. Several of those measures are part of the very program announced by the Liberals during their recent convention here in Ottawa. As a matter of fact, their measures are copied from the measures mentioned in the speech from the throne and in the budget introduced by the Minister of Finance.

You heard the Liberals during their convention talk about increased pensions to veterans and about a program of urban re-development. Their supporters promised tax reductions and accelerated depreciations in order to attract the industry in the underdeveloped sectors of the nation. Those are measures already mentioned in the speech from the throne and in the budget of the Minister of Finance, measures which were criticized by our friends opposite, but which they adopted yet with enthusiasm during their recent convention. It is not therefore inconsistent to say that the so-called dynamic and imaginative measures which were to change the concept of Canadian political thinking and which the Liberals announced with great publicity are copied from the suggestions put forward by the Conservative government and are simply a plagiary of the thinking of the leaders of this party.

Mr. Speaker, the Liberals, power thirsty and anxious to get votes at any price, have put forward many other measures during their convention, measures which on the one hand are ultra-socialist—in order to please the left wing of their party—and on the other hand, measures of an inflationary nature, and lastly economic measures which, if adopted, would increase the annual budget deficit of the nation to over $1 billion. However, there is one thing we must realize: it is impossible to over-increase expenditures while reducing revenues and expect anything but fantastic deficits.

Since I accuse the Liberals of having plagiarized measures put forward by the Conservative government, it must be said also that they have copied the program announced in this house by the right hon. Prime Minister when he said that a royal commission would be established to study the national health situation. In fact the very same Liberals outlined in high sounding words a health insurance plan which was only a repetition of the statement made in this house by the right hon. Prime Minister.

Mr. Speaker, I should like to say a few words about this national defence policy announced by the Liberals during their recent convention. As you know, they long have accused this government of having a wrong defence policy. They accuse the government of not recognizing the basic principles which should govern the defence of our country. They had announced long ago that they had sensational ideas concerning defence, which were really to change the concept of public opinion on that question. We therefore all expected with interest some announcement with regard to such steps, and it was a matter of general surprise to find that the Liberal defence policy consisted in having no defence at all.

The speech of the hon. Leader of the Opposition was received with applause on one side and by an eloquent silence on the other. It was therefore in no way surprising that some American journalists did not hesitate to suggest a royal commission of psychiatrists to investigate the state of mind of Liberal leaders who could imagine such a dangerous defence policy. And it is indeed dangerous, because such a defence policy would leave our country completely defenceless against any potential attack by an enemy.

It is hardly surprising that other journalists should state that in the United States people did not believe that Canadians were foolish enough to pay serious attention to statements by people whose aim is to form the government of this country one day, more particularly as regards statements of defence policies and theories as fantastic as those advocated during the recent Liberal rally.

We must conclude from all that, that the recent Liberal convention was a resounding failure, and we believe that our hon. friends opposite will have to make a great effort if they want to regain the confidence of responsible citizens, who are very much disappointed by what happened during that rally which was to change and revolutionize everything.

Mr. Gerard Filion of *Le Devoir* gave a good summary of Canadian opinion on this matter in Saturday's issue, dated January 21, where he said:

> The Liberal party has just wound up an important meeting in Ottawa. It has brought up a program which, obviously, will serve as the theme for the general elections of 1962. We find in it some good, less good, and definitely bad things.

The good things, Mr. Speaker, are those which have been copied out of the Conservative program; the less good things are those—

Mr. Bourget: Mr. Speaker, on a point of order. I apologize for interrupting my hon. friend. He said he was reading an article from *Le Devoir* and, unless I am mistaken, I think he is adding his own interpretation to that article. In my opinion, he should tell us whether he is reading the article textually or whether he is adding to it his own impressions.

Some hon. Members: Order.

Mr. Bourget: Mr. Speaker, allow me to be more explicit.

Some hon. Members: Order. This is not a point of order.

Mr. Bourget: This is very important, for the minister may give us to understand that he is reading textually from Mr. Filion's article in *Le Devoir*. He should read separately the article first, and then add his own remarks.

Mr. Sevigny: Mr. Speaker, in reply to that interjection, I must admit the hon. member for Levis is right. I should have mentioned that Mr. Filion's article ended after the sentence: "We find in it some good, less good and definitely bad things", and that my interpretation began when I said that those good things are those which have been copied from the Conservative party's program; that the less good things are those ultra-socialistic suggestions recommending extravagant expenses; and that the bad things are those which clearly tend to the left, an unfortunate tendency of the present leaders of that party, which was once great but which now seems to have forgotten the principles of Laurier and other Liberal leaders who followed him.

And today, we find that our friends opposite have forgotten none of those mistakes which caused them to be swept out of office on June 10, 1957. And we find also that they have learned nothing. I think I am justified in saying that the Canadian people will not, for a long time, trust them once again as they did for 22 years.

Mr. Bourget: You seem to forget very easily the by-election in Labelle.

Mr. Pigeon: On a point of order, Mr. Speaker. The hon. member for Levis is not entitled to speak from his seat.

Mr. Sevigny: Mr. Speaker, I think it is five o'clock. May I resume my remarks at eight o'clock?

[Mr. Sevigny.]

(Text):

Mr. Deputy Speaker: It being five o'clock, the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

PRIVATE BILLS

AURORA PIPE LINE COMPANY

The house resumed, from Tuesday, January 17, consideration of the motion of Mr. Chown (for Mr. Woolliams) for the second reading of Bill No. S-2, to incorporate Aurora Pipe Line Company.

Mr. Frank Howard (Skeena): Mr. Speaker, it will be recalled that when this matter was up for debate initially a week ago, because of the time limit I had the opportunity to say just a few sentences. I should like to make a few other brief comments about the bill before us to incorporate Aurora Pipe Line Company.

When private bills such as this, which originate in the Senate, come before us we usually look to the debates in the other place and to the proceedings of the committees to which such bills are referred, for guidance as it were, or for information about the structure of the particular company, its objectives, its finances and all of the other details with which we would be concerned. Unfortunately, in this instance we are deprived of the opportunity of discovering what sort of discussion took place in the committee on transport and communication of the Senate because no verbatim report of the proceedings was kept there.

In reviewing the debate on second reading in the other place we find that the Hon. Senator Thorvaldson, who sponsored the bill and who moved the second reading of it, confined his introductory remarks to the reading of a press release issued by the petitioning company, and which was rather sparse in the information which it gave to the long range or short range effects which would flow from the incorporation of this company. I feel that the worst feature, perhaps, of this is the lack of a verbatim report of the Senate transport and communications committee. This fact does not give us a full opportunity to secure the information which members of that committee gleaned from the representatives who appeared before it.

I did undertake, as I am sure the hon. members did, to discover what I could by means of a telephone conversation with the committee branch of the other place. There were minutes kept of the proceedings, I give this as background information to indicate that this was not a bill about which there was

unanimity and to which there was opposition in the committee of the other place. This fact should make it incumbent on us to search the bill and ascertain its effects even more assiduously than we might normally. There was a Mr. Gordon Blair, a local solicitor, who appeared for the petitioners and who, I am given to understand, carried most of the discussion in the committee of the other place. He was supported in his stand by Mr. Kenneth H. Burgess, who is vice president of Hudson Bay Oil and Gas and by Mr. Bannicke.

There were people who appeared before the committee of the other place opposing this particular bill, and those people were representatives of the Pembina company to which my friend from Vancouver East (Mr. Winch) made rather extensive references when he spoke on the bill a week ago. Appearing for the Pembina people were Mr. James Scott, who I understand is president of the company, Mr. Charles Crawford and Mr. A. Douglas Arnott. I believe the fact that there were representatives of other concerns who appeared before this committee opposing the passage of the bill should, even more than other circumstances, impress upon the members the necessity for looking carefully at this bill before we decide whether to give it second reading and refer it to our committee. The members of this committee could engage in an intimate discussion with the representatives of the Aurora company and others who may want to appear in order to determine the full effects which might flow from the establishment of this particular company.

In this regard, I believe the hon. member for Winnipeg South (Mr. Chown), who introduced the bill and moved second reading on behalf of the hon. member for Bow River (Mr. Woolliams), did a fairly commendable job of explaining, from his point of view, the purposes of the petitioners. We are indebted to a far greater degree, I believe, to the hon. member for Vancouver East and to the hon. member for Calgary South (Mr. Smith), both of whom spoke on the bill a week ago and gave far more details of the intricacies of the corporate structures of these major companies who are interested in this matter. Beyond this, the house is not too well informed as to the full effects that would flow from the passage of this bill.

In this connection, I should like to refer briefly to a passage in the speech from the throne, without reading it. As you recall, Mr. Speaker, there was a very forthright reference to the fact that steps would be taken to encourage Canadian control of corporations in this country. The so-called baby budget introduced by the Minister of Finance (Mr. Fleming) just prior to the Christmas recess also had this theme of Canadianism, as it were, interwoven throughout. One would assume that the ideal of Canada for Canadians was a part of government policy, and I think a commendable part. For many years we have been driven along the road toward foreign ownership and domination of our economy. However, the particular bill before us is not compatible with that ideal of Canadianism which we all agree should be developed in this nation.

Apart from the so-called Canada for Canadians theme which we are trying to promote, apart from the fact that Aurora is in fact dominated by United States interests, as was made quite clear by the hon. member for Vancouver East and by the hon. member for Winnipeg South when he introduced the bill, there is another facet of this particular bill which makes it somewhat reminiscent of that scandalous pipe line discussion we had a few years ago. I might say that my statement is the result of the scanty examination I have been able to give the bill, and without benefit of consultation with the individual petitioners because of the failure of the Senate to provide us with the information in a committee report. I should like to make a brief reference to *Hansard* in this regard and read some of the remarks of the hon. member for Winnipeg South which will illustrate what I mean. I am quoting from page 1127 of *Hansard* of January 17, where I find these words:

> The condensate would be delivered through the proposed federal company across the international boundary to an extension of Continental Pipe Line Company's system which would be built from Cut Bank, Montana.

I point out that the hon. member is referring to a specific by-product which is involved here, and about which I shall have something to say later on. This reference relates to the actual connections, and he goes on to say:

> The condensate would be delivered through Continental Pipe Line's system south to a connection with the Platte pipe line system in Wyoming and through this system and its many connections it would gain access to refining centres in the Rocky mountains and mid-continent areas of the United States which are at present not served by Canadian crude. In the early years of the project it is anticipated that the throughput would be of the order of 11,000 to 15,000 barrels per day.

I have had occasion to look at a map which I have here, and on which are shown some of the pipe lines in existence both here and in the United States, and I should like to make a particular reference to the system envisaged in this bill. I re-read the words found at page 1127 of *Hansard*:

> The condensate would be delivered through Continental Pipe Line's system south to a connection

with the Platte pipe line system in Wyoming and through this system and its many connections it would gain access to refining centres—

And so on. I would point out that on looking at this map I find that the Platte pipe line system has a direct connection and that one of its chief functions is that of transporting these commodities or these materials to the Chicago market which is the same market sought by Pembina. Incidentally, I might say at this point that I understand that a plan or arrangement between Pembina and the Standard Oil Company of Indiana, who own another pipe line in the United States, has recently been consummated and accordingly these parties, or Pembina particularly, will be appearing before the Alberta conservation board on February 7 for a hearing in this regard.

From the intent of this company we find that what they are after is the Chicago market, the same market as that which is being sought and, if today's news is any indication, has been established or the same market that Pembina is also in the process of working towards. When we compare the 11,000 to 15,000 barrels of Aurora with the 70,000 to 75,000 barrels of Pembina, we wonder just what is going on and whether this is not another attempt on the part of our friends in the oil industry, those whom the Prime Minister (Mr. Diefenbaker) before he became prime minister labelled as buccaneers, to destroy our Canadian participation by Canadian companies through milking the cream of the crop, as it were, and moving into the self-same market, namely the Chicago market in a quicker way, with less difficulty and not taking all the products.

The hon. member for Winnipeg South indicated, as did the hon. member for Calgary South (Mr. Smith) and the hon. member for Vancouver East, that there are a number of by-products. They mentioned propane, butane, and sulphur which is intermingled with them in the condensate. The Pembina system, through their relationships with Standard Oil and their market, is geared to a comingled system, or one that will fully use and transport all of these by-products, namely the condensate, propane, butane and everything else and will use them all whereas Aurora's approach, as is evidenced by the information which I just read from *Hansard* given by the hon. member for Winnipeg South and others who have spoken in this debate, and sole concern at the moment is to deal only with the condensate and not with the others; to leave them out in the cold, as it were and to concentrate its activities in seeking for the cream and, as I said, because of their hook-up with the other system, transporting these to the Chicago market in the hope that by skimming off the cream they will end up with the lion's share of the market while the other company, operating decently and taking them all, will be left behind.

There is another bit of information which I understand—

Mr. McIlraith: Will the hon. member permit a question just before he leaves that point?

Mr. Howard: Yes.

Mr. McIlraith: Where does the hon. member get this figure of 70,000 barrels per day? I ask that question because it is at variance with the information I get as to the evidence before the Alberta board.

Mr. Howard: If my hon. friend will allow me to look for a moment in *Hansard* in order to pick it out from the information given I shall be glad to do so. It was placed on the record by the hon. member for Vancouver East. It was taken from a study by Stevenson and Kellogg, a management consultant firm. I am referring only to *Hansard*, not to the Stevenson and Kellogg report and I hope my hon. friend will realize that fact. I am reading from the remarks made by the hon. member for Vancouver East as reported on page 1129 of *Hansard*, where he quotes the Stevenson and Kellogg report at one point as follows:

—in western Canada there was a potential utilization of between 20,000 and 40,000 barrels of these liquid gas by-products per day, but that there would still be a surplus of some 70,000 barrels per day.

Mr. McIlraith: Perhaps I could clarify that matter a bit by another question. I think the hon. member will agree that the Stevenson and Kellogg report is one item of evidence before the Alberta board on an extremely controversial point where there is a wide variation in the evidence as to the amount available for export. There are two or three others.

Mr. Howard: Yes. As the hon. member for Ottawa West (Mr. McIlraith) has pointed out, it may well be a controversial point before the Alberta board. I am quite sure that you, Mr. Speaker, having a discerning eye, will be able to see the hon. member for Ottawa West if he rises and puts forward this information in a definite way rather than by way of query. I think perhaps that would be the better way in which to do it.

If I may say so, this discussion points up the difficult situation in which we find ourselves because of the failure of the Senate committee to keep proper records of what it was doing in this regard. Perhaps if it did so we would have this information from the mouths of company officials themselves and

those who passed it. But as the situation stands, to a degree we are obliged to resort to a report by Stevenson and Kellogg, what a group of engineers in Canada said when they studied this question and so on. The members of this house are put in an extremely awkward position. This is the information that I have. I must accept it as factual unless it is shown to be otherwise because it is the only information we have available.

Mr. Smith (Calgary South): I wonder whether I might ask a question of the hon. member?

Mr. Howard: Yes.

Mr. Smith (Calgary South): I should like to ask if the hon. member would perhaps agree with me—and this is the point I attempted to make—that this is the advantage of having this matter in committee where this information can be produced and examined?

Mr. Howard: I would not agree with it at all because there are other factors than that involved. What the hon. member is asking us in effect to do is to buy a pig in a poke and to say, let us give it second reading—which is endorsation in principle—and then we will find out what it is all about. I am one of those strange types who believe in finding out what it is all about before we decide to do something. That is one of the reasons why it is necessary to discuss now on second reading what would lead us to this end.

Mr. Smith (Calgary South): What about third reading?

Mr. Howard: My hon. friend asks, what about third reading? I am sure he knows full well, especially now that Your Honour is presiding for a while, that debate on third reading is more restricted and confined than that on second reading. This has been the ruling given on a number of occasions.

I would agree with the hon. member for Calgary South that perhaps what we should do is to check the Senate up and express the hope that it would keep proper records of what committees do, especially in connection with a controversial matter such as this one about which witnesses appeared before the transport and communications committee in favour of the bill and opposed it. Perhaps we would then be in a better position to assess the facts. But to be asked to give blanket endorsation to something in the hope that we shall find out more about it later on is putting the cart before the horse. We might as well be debating the divorce bills which were allowed to stand a while ago.

There is one other point which might be cleared up. Although the hon. member for Calgary South is now fairly well restricted from debating the issue, with his extensive knowledge in this field he may perhaps be able, by way of question, to clear up this matter. My understanding is this, and may I say that I am exhibiting my ignorance in this field when I say it. I understand that Aurora will be dealing only with condensate or what is known as condensate and as that is not classified as a gas, accordingly there is no need for it to appear before the Alberta conservation board. That is what I have been given to understand; I do not know whether it is factual information. However, there is on the record information to the effect that the company in fact has already appeared before the Alberta conservation board in any event. But that was one piece of information I was given, that it is not really necessary for them to do this because they are only dealing with one of the by-products rather than the whole range.

As I say, to a great extent we are devoid of factual information with regard to this matter. Private matters such as this, which have a great effect on the public and on the economy, should be seriously considered. I submit that these things should be considered before we give a bill second reading, and not discovered afterwards. Because we do not have this information available from its usual source—that is the Senate committee; and by that I am not in the least implying that the Senate is in any way inefficient in this regard, but we should have this information—I think we should preserve to the fullest extent possible our Canadian interest in this regard and have an opportunity to look further into this matter.

In order to ensure that everyone concerned has the fullest possible opportunity to look into the effects of this bill I think we should not give second reading to it without more detailed study and consideration, and I do not think the bill should be given second reading at this particular time.

In order that all of us may have the opportunity of investigating the full effects of this bill before we give it second reading, I move, seconded by the hon. member for Peterborough (Mr. Pitman), that the debate be now adjourned.

The house divided on the motion (Mr. Howard) which was negatived on the following division:

YEAS

Messrs:

Argue	Peters
Fisher	Pitman
Herridge	Regier
Howard	Winch—9.
Martin (Timmins)	

Division

NAYS

Messrs:

Aitken, Miss
Allard
Anderson
Asselin
Baldwin
Barrington
Baskin
Batten
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Benidickson
Best
Boulanger
Bourbonnais
Bourget
Brassard (Chicoutimi)
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Campeau
Cardiff
Cardin
Carter
Casselman, Mrs.
Chambers
Charlton
Chevrier
Chown
Clancy
Clermont
Coates
Comtois
Creaghan
Crestohl
Crouse
Danforth
Denis
Deschambault
Dinsdale
Dorion
Doucett
Drysdale
Dubois
Dumas
Dupuis
English
Eudes
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Forbes
Gillet
Green
Grenier
Gundlock
Habel
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hanbidge
Hardie
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Jung
Keays
Kennedy
Knowles
Korchinski
Kucherepa
Lafreniere
Lambert
LaRue
Latour
Legere
Lennard
Lessard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLellan
Macnaughton
MacRae
McCleave
McDonald (Hamilton South)
McFarlane
McGrath
McGregor
McIlraith
McIntosh
McLennan
McMillan
McPhillips
McQuillan
McWilliam
Mandziuk
Martel
Martineau
Martini
Matthews
Michaud
Mitchell
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nixon
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Pickersgill
Pigeon
Pugh
Racine
Rapp
Ratelle
Regnier
Ricard
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Roberge
Rogers
Rompre
Rowe
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Speakman
Starr
Stearns
Stefanson
Tassé
Taylor
Thompson
Thrasher
Tremblay
Tucker
Valade
Villeneuve
Walker
Webb
Webster
Weichel
Winkler
Wratten—180.

Mr. J. H. Horner (Acadia): Mr. Speaker, we have just witnessed a demonstration of some of the measures that may be used if the new party or the C.C.F. ever came to power, a new idea of closure. The last time this subject was debated hon. members of that group indicated that they wanted more information on the subject, that they needed certain particulars dealing with the export of the product concerned, yet today they move to close the debate so that it could not be re-opened in this house. Is that a proper procedure to adopt? Is that the way to obtain further information on the subject? Is it wise to attempt to banish this measure from the House of Commons? If that is the type of thing hon. gentlemen of that group would do if they were in power I certainly would not like it and I know that many other Canadians also would object.

This bill seeks to incorporate the Aurora Pipe Line Company which would then apply to the national energy board for permission to export condensates. Perhaps no hon. member is able to give all the details sought by the hon. member for Skeena (Mr. Howard) but that hon. gentleman after saying that he wanted exact details now seeks to close the debate. If this measure is passed it can go to a committee where the hon. gentleman may ask questions on every particular to his heart's content.

Last Tuesday the hon. member for Vancouver East (Mr. Winch) set out quite clearly the percentage of Canadian ownership of the company and its exact makeup. Certainly that question should be answered in the minds of the hon. members of the C.C.F. group.

The hon. member for Winnipeg South (Mr. Chown) in his opening remarks in introducing this bill stated that the Aurora Pipe Line Company would export its product into an area where no Canadian crude oil or condensates are now going. He mentioned that Pembina Pipe Line Limited, a large company in western Canada owned by the Foothills Company of western Alberta actually planned to build a pipe line with a potential capacity of exporting 100,000 barrels a day and an

estimated export of 70,000 to 75,000 barrels a day. Aurora Pipe Line Company wishes to build a line 41 miles long to the United States border. Running at full capacity the company feels it would be able to potentially export only 31,000 barrels a day with an estimated export of 11,000 barrels a day.

Those who are afraid that this pipe line is going to put everyone else out of business should closely examine the figures relating to total capacity. The export would be limited by the size of the pipe line of the company. In any case it seems to me that Pembina would go ahead and build their line and if Aurora thought it was feasible to build their line for an export of 11,000 barrels a day they would proceed to do so.

With the expanded exportation of natural gas greater amounts of condensates are becoming available. Soon or later we are going to have a surplus of this product in Alberta if we have not one already. Certainly two oil lines provide a greater area in which we can export these products to United States markets. I fail to see why there is so much objection to this on the part of some hon. gentlemen in this house.

The Hudson's Bay Oil and Gas Company Limited have carried on in the past and will continue to carry on considerable exploration work in Alberta and elsewhere in western Canada. They have spent quite a bit of money in this respect. A great many Canadians are employed by this oil company and with the greater markets that would be available more Canadians would be employed in producing these by-products of natural gas. I see no objection to this and I hope other hon. members do not.

Some hon. members are bothered by the lack of full details. We have established a national energy board to look into the questions of Canadian ownership in these companies, the feasibility of the markets the companies wish to develop and explore and whether the product can be made readily available without injuring established pipe line companies and so forth. Certainly we should allow the energy board to do the job for which it was established.

Even after they have been approved by the Alberta conservation board they have to go before the energy board, and therefore all that this bill is doing is permitting this company to become incorporated. Certainly the more companies that are incorporated the greater chances we have of exporting more of a given product. That is the ultimate aim of every Alberta member here and I hope it is the aim of every hon. member.

We want to export more of these by-products that are becoming available with the export of natural gas because, if we do not export them, they will pile up, become surplus, and be of practically no value at all. Now that we have done away with this new form of closure, I urge all hon. members to support this measure and let it pass.

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, unlike the hon. member for Skeena (Mr. Howard), many of us in this house are not authorities on every subject that comes before the house.

Mr. Peters: That is your misfortune. Don't blame the hon. member for Skeena for being so smart.

Mr. Brunsden: Regardless of whether the subject is unemployment, housing, industry, trade or finance, from the far corner of the house comes a long drawn out, argumentative, discussion as to what this government should do.

With respect to this particular bill, Mr. Speaker, let me say that I live, along with my friend from Acadia, in the heart of the oil country of Canada. I am a little older than the hon. member for Acadia, and I have seen the oil industry grow from infancy in southern Alberta. Never having had enough money to become interested financially I am not an authority on oil, but I do know that in Alberta, yes in every province of Canada, and in this house, we speak constantly of the need for wider markets for Canadian products. We are assured by our authorities in the oil industry—and there are one or two of them in this house—that we have ample supplies of gas and oil in our prairie region to take care of all the needs of Canada for many years to come.

We heard today something of the languishing coal industry in Canada. Coal no longer is a prime commodity, and with the tremendous development in nuclear research there could be a day in the future when gas and oil could be in a position somewhat comparable to coal today. If we have this valuable product available for a market, if we have a market available for the product, it seems to me to be only common sense to embrace now that market and increase and enhance our marketing position.

I am not concerned about the apparent dispute between supplying eastern Canada and parts of the United States. I believe our reserves will supply both. Certainly, so far as this bill is concerned, it should be adopted and work should proceed.

Here is an industry which each year attracts more and more men to it. In my own little town of Brooks I would say that 20 per cent of the enhanced population of the

last few years directly or indirectly are engaged in this industry. These people draw wages; they buy food; they buy necessities, and every time you develop a new outlet for gas and oil you are improving the employment and trade position of western Canada.

But my friend from Skeena seems to be quite concerned about whether or not this company may run away with something. My hon. friend from Acadia mentioned the national energy board. We recall the discussion on that board in this house; we recall the establishment of that board. It might assist the hon. member for Skeena if I placed on *Hansard* clause 5 of Bill No. S-2, which reads:

> The company shall have all the powers, privileges and immunities conferred by, and be subject to all the limitations, liabilities and provisions of the National Energy Board Act, and any other general legislation relating to pipe lines enacted by parliament with respect to the transmission and transportation of oil and other liquid hydrocarbons.

The national energy board reports to parliament. There is the safeguard for the people of Canada with respect to the operation of this particular company after incorporation, and it seems to me that that should be sufficient for all of us.

May I call it six o'clock.

Some hon. Members: Question.

Mr. Peters: I heard the hon. member call it six o'clock. If that is not the wish of his friends I should like to call it six o'clock.

Mr. Deputy Speaker: It is not six o'clock. Unless there is unanimous consent to call it six o'clock, I cannot call it six o'clock. Do I understand the hon. member for Medicine Hat has finished his remarks?

Mr. Brunsden: No; I was deceived by the clock.

Mr. Deputy Speaker: Is it agreed that I shall call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

THE BUDGET

SUPPLEMENTARY FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. Donald M. Fleming (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

[Mr. Brunsden.]

Mr. Sevigny: Mr. Speaker, since the house resumed its sittings we have all heard the long concert of lamentations on the part of speakers from the official opposition concerning the state of the economy. We have heard speaker after speaker rise from his seat and blame the government for all the sins and omissions which may exist in our economy and for all the ills and troubles which may afflict this country. When we listen to these hon. members we have the impression that all that is happening has been caused by the government and that government actions alone are responsible for the conditions which afflict certain sectors of our economy. The fact that what is happening in our nation is provoked by a period of economic readjustment which prevails throughout the world and by the effects of automation which have deeply influenced the industries of our nation is ignored and, as I said before, the government is blamed for everything and the cause of all that is happening is not sought elsewhere. Yet the Leader of the Opposition (Mr. Pearson) denies that this is so and as recently as January 20 he said, as found on page 1271 of *Hansard*:

> I know quite well... that in a mixed economy with the private sector quite rightly being the most important sector of the economy, the government alone cannot and should not be asked to ensure full employment. This depends on the work, energy and initiative of the citizens and on an association of all the economic elements in our society, whose co-operation with government and whose vigour and enterprise on their own are essential if we are going to have full employment in this country. There is no doubt about that. There has to be this kind of co-operation before the government can be blamed for the inadequacies of its policies.

In spite of this affirmation on the part of their leader, especially in spite of the fact, as I have said before, that the measures adopted by the government in order to reduce the unemployment that does exist in certain sectors of our economy are similar to the measures adopted by the committee of congress which advises United States leaders concerning the question of economic stimulation; in spite of the fact that the measures which we re-introduced in the speech from the throne and which are contained in the preliminary budget presented by the Minister of Finance (Mr. Fleming), and which were copied by the Liberals during their recent rally, you will nevertheless during the weeks and months to come see the Liberals rise one after the other, whether it be in this house or when they are making speeches throughout the nation or speaking over radio or television, and talk about unemployment and blame the present government for all that is happening in the nation.

(Translation):

Mr. Speaker, these last few weeks I said many times across the country and I want to repeat it again in this house that, in talking so often of winter unemployment, hardships and poverty, in misrepresenting the economic situation which after all is extremely advantageous to the great majority of our citizens, in repeating that this country is on the road to ruin, in fostering a climate of pessimism, our friends opposite, and the official Liberal opposition in particular, are creating more unemployment and hardship in this country.

In fact, we can already see in the various provinces of this country, industries setting aside expansion plans as a result of such gloomy speeches, because they are worried about the future.

In the business field, we heard about slowdowns and lay-offs because management is influenced by this atmosphere of gloom and doom which the Liberals both in this house and outside, have been spreading across the country.

An hon. Member: Quite true.

Mr. Sevigny: There may be people who would be willing to make certain necessary expenditures for their business or their family's welfare, but they are worried about the future and decide instead to cut down expenditures, thus depriving the nation of a buying power that could help reduce the number of unemployed.

The preaching of gloom and doom which is an integral part of our Liberal opponents' policy and which they threaten to continue is extremely harmful to the interests of the nation. If it goes on, the results may well be beyond repair.

Mr. Speaker, our friends in the Liberal opposition are waging an ideological war against the Canadian people. It is not a new war; it is based on psychological arguments that have already been used in this century, with disastrous and even fatal results, on several instances.

Thus, in exploiting the misery and distress which prevailed in their countries, Mussolini and Hitler managed to gain power and to impose upon the Italian and German peoples their dictatorial ideology. Finally—and that is a sad story that everyone knows—those two men put the world to fire and sword, and drove democracy as we know it to the brink of ruin.

Today, we see another ideology, that of the communists, spreading all over the world, through the exploitation of poverty, misery and unemployment. It is among those who suffer that communism is gaining ground.

Of course I am not accusing my friends opposite, whom I respect and like, and who have often contributed in the past to the development of our nation, of necessarily and wilfully playing into the hands of the communists. However, through their usual lack of foresight, and perhaps also because they are the victims of their desire to return to office, they have been behaving in such a way, with that policy of gloom which they are spreading across the country as to play into the hands of those communist adventurers who seek to get a foothold in this country and who, if successful, will certainly cause as much harm in this country as in every country where they have managed to spread their doctrine and gain control of the government.

Consequently, even if it is sensible to make some constructive criticism and to suggest methods which might help the workers in this country find jobs, I think it is a bad thing to speak constantly of unemployment and distress, as the members of the Liberal opposition are doing, because unemployment is aggravated by that very fact, and results in greater hardship.

In some quarters, it might be considered that such talk is efficient political manoeuvring. Unfortunately, the method is detrimental to national economy and certainly does not rouse in the Canadian people the respect which the Liberal opposition wants. And I am convinced that such practice will not succeed in earning for our friends opposite the people's trust which they seem to seek by every possible means.

Mr. Speaker, I should also like to say a few words on a certain policy which was announced by our hon. friends from the Liberal party during their recent rally. I refer in this instance, to the resolutions which have been passed in the field of education. I really wonder if the Liberals honestly think they can convince the Canadian people that it is just and reasonable for the federal government to interfere in this field of education which is exclusively a provincial matter.

No wonder that following resolutions moved at that convention, we could read in the various newspapers of this country and more paricularly in *Le Devoir* of Thursday, January 12, 1961, an article from which I will quote two excerpts:

> The autonomists, if there were any among the delegates, must have received quite a jolt Tuesday night when the report of the Liberal convention committee on education was adopted. The party advances more and more deliberately and deeply on the road of federal interference in the field of education and of assistance to education. It must

be said that it is rather surprising and painful to see that the resolutions contained in the report have been adopted without a single voice being raised among the 2,000 delegates to point out the danger of the policy stated in that document. In fact, the vote on the report followed three long speeches, one of which was made by Mr. Lionel Chevrier; the other interventions were also favourable.

For a man concerned about provincial autonomy and the spirit or even the letter of the constitution, as interpreted by the most competent courts, it is extremely difficult to approve, even on grounds of national emergency, the principles of the Liberal convention resolution. To recognize the principles of this report is like putting dynamite in our constitutional structure and setting fire to the fuse at the same time to make it explode. The Liberal party declared itself in favour of a mass offensive against provincial exclusiveness in the field of education. No other conclusion can be drawn.

This article which I just read and which was written by Mr. Clement Brown, indicates clearly the state of mind of all those who followed the activities of the Liberal party during its recent convention and who, like us, are shocked at this centralizing attitude on the part of the Liberals. They should have learned something from the experience of these recent years but it seems that far from learning anything—as I said previously in my speech—they did not forget aything and did not learn anything either.

It is evident that this centralizing philosophy of our opponents is in direct opposition to our own policy which insists on the respect of provincial rights and on the safeguard of the confederation agreement.

It was rather hard, Mr. Speaker, to find a solution to that problem of assistance to our universities. Are we going to start once again another similar debate? Are we going to let a Liberal group infringe upon the rights of the provinces in the field of education and restrict their rights in the field of primary education, which after all is what the Liberals suggested in the resolutions adopted at their recent convention.

Mr. Speaker, I think that my time has expired and I resume my seat.

(Text):

Mr. Walter Pitman (Peterborough): Mr. Speaker, I should like to begin my remarks by quoting the Minister of Finance (Mr. Fleming) in his speech when he presented his baby budget to this house last December as reported at page 1015 of *Hansard*:

The government has its sphere of responsibility; the citizen has his.

No words could have greater truth; no words could possibly be less disputed by any party in this house. To begin in a rather philosophical mood, may I say that this is the problem that is facing every government in every part of the world. Every government has to face the problem of freedom and efficiency. Freedom without efficiency may well create anarchy and chaos. It may mean freedom to be unemployed; it may mean freedom to be without education or opportunities; proper housing and so on. On the other hand, efficiency without freedom may mean that a man has lost his most precious possessions, namely that of initiative and that of personal opinion. Hence every government seeks to find a place between and a balance.

I would suggest to this house humbly tonight that we on the North American continent have not had to find this balance and that we have not had to face the stark reality of thinking dynamically about government since the second world war. This is the situation largely because prosperity has been handed to us on a silver platter. We have been able to have freedom and not to worry too much about efficiency simply because after the second world war the world sought our products. We were in a position of advantage, and not until the last few years has this position been in any way endangered.

The United States of America has had a similar advantage. Hence I would suggest tonight that this continuous concern about whether the United States unemployment is higher than that of Canada really has little relevancy. I would suggest tonight that neither of these nations is in a position to add much in connection with this problem of deciding what kind of government activity Canada needs.

A United Nations survey declared a short time ago that Canada and the United States are the only two nations in the world with a high economy which are unable to solve the problem of unemployment. I think this is a significant statement which makes somewhat unreal the great deal of concern we have had expressed over the last couple of days in connection with comparisons with the United States. It appears that we are both in the same boat and that neither country has come to grips with this problem. I believe it is we who are out of step with other nations in the world that have found solutions to unemployment because, since the second world war, we have not been driven to thinking and re-thinking our position, we have not sought these same solutions.

Yes, indeed, Mr. Speaker, the Minister of Finance (Mr. Fleming) spoke truly when he said that the government has its sphere of responsibilities.

I would ask tonight whether we have stopped thinking dynamically about the possibilities and the flexibilities of our democratic system in dealing with our economy in the

twentieth century? Have we indeed reverted to the 1930's belief that government cannot really do very much? If we accept as a slogan, at least on the government side, that prosperity is just around the corner, that all we have to do is to bolster confidence in the status quo, "Prosperity is just around the corner" might be called the slogan of the Hoover administration and perhaps the epitaph of the present administration.

We have been told that full employment is some kind of Elysian field, that Canadians are to be deprived from entering into it at least on this side of the grave, and Canadians have no right to expect that the government can provide full employment. Let us look a little bit further than the North American continent. Let us look at Norway, where in the 1930's there was 38.9 per cent of the working force idle, but today Norway accepts full employment as the basis of its economic system. It is quite clear that it is the duty of the state to ensure that full employment be obtained.

If you want to search in other directions, look at the commonwealth countries. In New Zealand—

Mr. Horner (Acadia): Look at Saskatchewan.

Mr. Pitman: Look at the full employment in New Zealand since 1957. There full employment is looked upon as the basis of national economy.

In Canada we expect to be erecting a model of democracy. Indeed our system of unemployment insurance gave us to believe that we did have some security in the area of employment. But instead of providing insurance for the unemployed we should have put more imagination into providing full employment. Unemployment insurance, indeed, only works properly in Canada under a full employment system. So today we have the irony that whereas other nations see their gross national product going up 5, 6, 7, 8, 9 or even 10 per cent, ours is lagging at 2 per cent. Indeed when related to the population growth it is going down and has not increased during the last three years.

While other nations expand and grow, Canada has paid out $415 million in unemployment relief; we are paying out millions of dollars in local welfare; we are losing millions of dollars in revenue in unpaid income taxes; we are losing millions of dollars in revenue in unpaid municipal taxes, and we are losing billions of dollars in productivity. What does all this capital produce? It produces nothing. It simply allows men to subsist rather than serve the community.

Mr. Horner (Acadia): Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Pitman: I certainly would.

Mr. Horner (Acadia): Has the hon. member figured out what Saskatchewan has lost in terms of at least the population that has left that province because of the socialist-type government's failure to create jobs in that province?

Mr. Pitman: Yes, I read the article in the *Globe and Mail* this morning.

Mr. Horner (Acadia): I am not referring to the article in the *Globe and Mail.* I asked you a question.

Mr. Pitman: I think if the hon. member would look at the situation in Saskatchewan he might well find the reasons for this change.

Mr. Horner (Acadia): I was born and raised in Saskatchewan.

An hon. Member: We can't help it.

Mr. Pitman: Indeed, I think the economy has done very well in certain of its sectors.

Mr. Horner (Acadia): And half of the citizens of Alberta were born and raised in Saskatchewan.

Mr. Pitman: The government has indicated that today there are more people at work than ever before. I suggest, rather, that there are more people in mental hospitals and more in jails as well.

Mr. Horner (Acadia): They have to go to Alberta to find work.

Mr. Deputy Speaker: Order. May I remind hon. members that they cannot interrupt the member who has the floor unless they have obtained prior permission to do so.

Mr. Pitman: Thank you, Mr. Speaker. I am sure the government will not wish to take the responsibility for this. But what we are really saying is that there are simply more people who need employment. Many of us on this side of the house looked to the Minister of Finance to reverse this trend. We looked to the ministry as a whole over the last three months to come forth with solutions. In many cases I think they have made an attempt to reverse this situation. I speak particularly of the legislation with regard to loans to small businesses.

Here indeed something has been done which has benefited certainly the Peterborough area. I am hoping that when the Minister of Agriculture (Mr. Hamilton) brings down his legislation it will deal dynamically with that sector of our economy as well, because perhaps one of the things we have forgotten is that farm income has been going

down over the last ten years. Farms which once supported three or four young men now only support one, especially when a farm area is near an urban area, which means that three or four young men end up by going into the city, becoming part of the labour force there and eventually are laid off and find themselves in the line-up in front of the unemployment office. I think the legislation which was put through with regard to vocational training will have a long term effect; but surely we need to do something which will deal with this problem immediately.

When we look at this budget there are things which are indeed good; for example, the tax relief for university students. However, we have also looked for something which will put more money into the hands of the people of Canada for purchasing, not money that will lay idle but will be put immediately into the hands of the people of Canada and used in this respect.

We on this side of the house must express certain disappointments in respect to the budget. As a recommendation from this group we would suggest that we in Canada need to take a new look at fiscal and monetary policies. The minister has indicated that flexibility is the order of the day, and indeed it is. This government has dealt successfully with the threat of inflation, but unfortunately it is still carrying on the war against inflation when the enemy has gone and the battlefield is empty. We now have a recession, and the policies which successfully dealt with inflation are not policies which will deal with a recession.

The minister had hoped for a surplus, and found a deficit, much to the joy of the Liberal party. But I think this is essentially irrelevant. The point is that neither the hoped for surplus or the small deficit will do the job which Canada needs to be done today. We need an interim policy of deficit financing on a scale which has up until now been unheard of. I realize the Liberals have also suggested this, and perhaps this is where the new and the old meet.

It is strange that we expect individuals to plan their financial affairs and yet we regard governments as beyond the pale. If a man with a salary of $5,000 a year spent the whole $5,000 by October and then issued bad cheques for the rest of the year, he would find himself in jail. Yet we believe that governments can go on in this fashion and no real harm will take place. Why are we so convinced that individual planning is good but corporate planning is wrong? Why do we have so much faith that the businessmen of this country are able to solve the problem of unemployment for us? They are so much concerned with trying to keep their business activities solvent that we can scarcely expect them to solve the problem of unemployment as well.

We live in an age when statistics are available and where expert advice is present, and yet we simply cannot use it to organize and plan our economy in a way which would give Canada the kind of economic organization she deserves. The Minister of Finance mentioned that the boys and girls of the 1940's were crowding the schools and now they have arrived on the labour market. But we knew that 15 years ago. We also know that recessions are a recurring thing and yet we are seemingly not doing very much about it on this side of the Atlantic. I think deficit financing on a short term basis can be good. I think it is the only way we can encourage the growth of our economy at this time. This can be done by putting men back to work and increasing the productivity of our nation. There is no danger of inflation so long as this recession continues.

What can be done with the capital which would be so created? Surely what we need in this country is an expansion of our public authority. We are paying out billions of dollars to remedy the situation, and yet nothing has been done about it. There are hospitals to be built; there are roads to be constructed; there are health centres, recreation centres to be constructed. Schools need classrooms. We know that within ten years, according to the statistics, we will need ten new universities. We realize that people coming out of high schools will soon be going into universities. We need low rental housing in this country. Yet we are paying to have men remain idle while there is so much to be done.

Surely these are things which we could be doing at this time. It has been proved that if works are begun and continued the whole process "snowballs" and the public sector benefits as well.

Our construction industry is operating at only 60 per cent efficiency. It provides 20 per cent of our gross product. A winter works program is not enough. Capital must be injected over a long period of time if the "snowballing" effect is to take place and the whole economy is to be strengthened.

I am inclined to suggest that even in such an area as athletics something could be done. Last year a great deal of regret was expressed because our athletes did so badly in the Olympic games. We see that according to the speech from the throne that the government intends to bring in, by legislation or otherwise, measures to encourage the youth of Canada to take part in amateur athletics. But, surely, the major problem in this regard is that there are no adequate facilities. Olympic failures are unimportant except inasmuch

as they reflect on the bodily health and development of the whole nation. It does not matter very much, for example, that Australian swimmers won most of the gold medals. The point is that many thousands of Australian swimmers had opportunities to train and prepare themselves. It does not matter that the U.S.S.R. won all the gold medals in the gymnastic field. The point is that 70,000 Russian gymnasts had been trained in this program and provided the pool from which the final team could be drawn.

How can Canada take a successful part in athletics with the facilities we have? There is not one single regulation track in my constituency. There is only one regulation swimming pool in the whole of Ontario. I would suggest that sending people to the Olympics on this basis is an exercise in futility. Here is an area where something could be done. Other countries have done it, and we could do much to improve the health, welfare, education and culture of the Canadian people. By expanding the public authority we could create and strengthen the private sector and provide capital for investment which in turn would strengthen the private part of our economy.

I think we would do well to look to other countries, not because we in Canada have not the same ability to solve our problems but because, perhaps, we have not been obliged to take such action in the past. In Sweden government projects are all planned to be carried out in the off season. Special funds are allocated to be released as soon as unemployment figures reach a certain point. Government orders are stepped up at certain periods and tax laws are designed to encourage industry to build up investment funds rather than to overexpand, and release funds when a recession begins.

Here in Canada we have a problem involving the mobility of workers. Many men refuse to leave their own communities because they are liable to lose welfare benefits and, perhaps, because there is a possibility that when they reach the new areas the jobs will have disappeared. In Sweden the government undertakes to move workers to areas where jobs exist. The cost of such movement is paid and, if necessary, prefabricated houses are erected to accommodate the men and their families when they arrive.

In Norway there is provision for dynamic public works schemes. Long term loans for housing are available at the low interest rate of 3 per cent and control is exercised over unreasonable prices and profits. In Britain they stop industries from settling in congested areas of low unemployment and induce them to settle in areas where unemployment is prevalent. I realize that the Minister of Finance has looked into this aspect of the question and promised double depreciation in respect to capital expenditure in the first year, applied to the first three years, in the case of industries settling in chronically depressed areas.

Three years ago Peterborough was named a model city in this nation. Especially it is regarded as a tourist paradise with its beautiful lakes and rivers and glorious countryside. But it was also noted for its economic health and growth. Today it is still a tourist paradise but, I am sorry to say, it may now perhaps be counted, in the terminology of the minister, as a depressed area. I find it very hard to speak of this constituency as a depressed area. I think it is deplorable that in a country with all the advantages we have there should be depressed areas. On the other hand I wonder just how it would be decided what are the depressed areas of this Canada of ours. Would it be based on unemployment figures such as four or five thousand unemployed in this city of 40,000 and its surrounding area? Would it be based on general welfare figures which are up by 400 per cent compared with the same month of last year? I hope some reasonable and fair method of determining what are to be called depressed areas may be adopted and that no cynical method based on political advantage will be introduced.

We have been thinking a great deal about this problem of unemployment in our constituency. It has been a matter of great concern, because the affairs of the country have, in a sense, been concentrated in Peterborough. As a result there has been a great deal of talk and writing. Those concerned with the industries of the community were asked exactly what is wrong, in their opinion, not with the Peterborough area alone but with the economy as a whole. As a result, the Peterborough *Examiner* ran a series of articles, and I should like in particular to quote one editorial which had this to say:

> There is no political magic. A fundamental, radical, drastic reorganization of the economy is the prospect which, I think, faces us. There will be many to disagree. A plan for industrial expansion, tax reassessment, a drastic reduction of waste, a reduction in the cost, and undoubtedly the standard of living, a radical re-examination of political economy; these things are either needed or in the offing. If disarmament should come about they will be urgent.

These are some of the questions I will leave with both the minister and this government to think over. What would happen if suddenly disarmament were to come about. Are we going to approach the subject of disarmament with our tongues in our cheeks,

our minds made up that it will not take place? What would happen to our economy if it did?

Second, what is going to happen when Canadian trade has to compete more openly and more often with what low-wage countries have to offer? The gap is widening, between the "haves" and the "have nots" and it is serious. The people of these countries know what the situation is; they are no longer ignorant of our wealth as they were some 20 years ago when tariff barriers were regarded as a solution. We live in a world where two people out of every three go to bed every night hungry. Will we raise tariffs and make the situation worse? How are we going to compete with these low-wage countries? Would it be by greater efficiency and automation which will, at the beginning at least, create still more unemployment, though it will cut down cost of production?

These questions will have to be answered in the near future. What will happen when the U.S.S.R. and communist China decide to disrupt world trade by entering world markets? Will the economic organization of the Canadian nation be able to deal with that situation? These are reasons why I think, we need, tonight to think and re-think far more about the very basis of our economy. Can we any longer afford an economy where waste and obsolescence are the order of the day? Such far-reaching questions as these will come before the people very soon. I sincerely hope the government of the day will have answers to them.

Mr. Speakman: Would the hon. member permit a question. Has the hon. member made a comparison between Canada and some of the Scandinavian countries, countries of very small area and heavily concentrated population? Would he not be fair enough to carry his comparisons further and compare them with Canada geographically, on the basis of per capita income, population and so on?

An hon. Member: And standard of living.

Mr. Pitman: I do not think that question is too relevant to what we are considering at the moment, this matter of relative populations and so on, but I suggest it is perhaps only a matter of degree and that the answers would not make any great difference.

Hon. D. J. Walker (Minister of Public Works): I want to congratulate the hon. member for Peterborough (Mr. Pitman) and tell him that he is a very eloquent speaker and also that in time, with experience in the house such as many of us, including myself, still need, he will find that these problems are not solved as simply as he would indicate. I want to congratulate him anyway. I should like to have an hour or so to spend with the hon. gentleman during which time we could compare the record of this government during its three years in office with that of the preceding government. We have loaned 16 times as much money to build housing. Since we came into office more than 500,000 new homes have been built in Canada including a great many low rental housing developments. It is my earnest hope that the present hon. member for Peterborough will some day attain the distinction, charm, warmth and kindness of his very distinguished predecessor the late Mr. Gordon Fraser in this house.

The Leader of the Opposition (Mr. Pearson) made a speech in connection with this baby budget during which he made many references to the copious resolutions passed at the Liberal rally. May I briefly, dispassionately and in a kindly way make reference to some of those resolutions and draw a comparison between the words used at the rally and the actions of the preceding government.

Turning first to the question of foreign trade—and all of these subjects are applicable to the baby budget—the Liberal rally pledged:

> —the exploration of the possibilities of Canadian participation in regional trade blocs—

They pledged to expand Canada's foreign trade, and yet for eight years under the Liberal administration that government failed to take any steps to implement its obligations in this respect under the North Atlantic treaty of 1949. When the opposition of that day entreated the Liberal government to take some action the present Leader of the Opposition who was then secretary of state for external affairs admitted that he had had a considerable amount to do with introducing into the North Atlantic treaty article II which became known as the Canada clause, the effect of which was to urge the creation of an organization for European economic co-operation and development. When the hon. gentleman was challenged about that in the house he said, as reported at page 1657 of *Hansard* of 1952 that this was not practicable, remonstrating that:

> —in attempting to reduce the barriers to trade, we have to be careful not to introduce arrangements which would cut across arrangements already made between members of larger organizations—

such as the United Nations and GATT. The result has been, of course, that the European allies have now formed trade blocs among themselves and we are endeavouring as best we can to re-establish ourselves in our second largest export market and get our foot in the door through the organization for European economic co-operation and development.

In connection with the Bank of Canada that eloquent ghost writer for the Liberal party who writes so many speeches for so many of

the frontbenchers, Mr. Maurice Lamontagne, who was chairman of the rally's committee on this subject, submitted a resolution asserting in part that:

—a new Liberal government would reassert control over Bank of Canada policy and shift it sharply away from credit restraint. This would mean more easily available loans and lower interest rates.

All during the regime of the Liberals they maintained a hands-off policy with respect to the Bank of Canada. They maintained that they had no control over the monetary policies of the Bank of Canada. Referring in parliament to the tight credit situation that existed in 1956 no less distinguished a member of the former government than the Hon. Mr. Harris, the then minister of finance, as reported at page 2216 of *Hansard* of that year, when discussing tight money and higher interest rates, suggested that these undesirable conditions could have been avoided, admitting that:

—it is true that the Bank of Canada could have further increased the supply of money and credit.

In other words at that time the hon. gentleman blamed the tight money situation on the Bank of Canada and admitted that the government of the day was powerless to control it. Yet the ghost writer of the Liberal party at the recent rally suggested that the government should re-assert control over the Bank of Canada, an agency that the Liberals always failed to control.

The resolution in connection with the exchange value of the dollar was highly eloquent. As a step to create more employment, the rally approved proposals to reduce the high exchange value of the Canadian dollar. This indicates that that part of the resolution must have been written a month ahead of the convention, no doubt by Mr. Lamontagne, because it is completely out of date and was completely out of date when the rally took place. The Conservative government, due to the brilliant baby budget introduced by the Minister of Finance, had at that time already reduced the Canadian dollar almost to par.

In his 1957 budget speech the Liberal Hon. Walter Harris boasted of the 4 per cent rise in the exchange value of our dollar during the previous 12 months and sought praise for this rise as a factor minimizing price increases in Canada. The hon. gentleman said on that occasion as reported at page 2216 of *Hansard*:

I should add that Canadian prices would have risen by more than they did had it not been for the 4 per cent rise in the external value of the dollar.

In those days hon. gentlemen opposite boasted about increasing the exchange value of our dollar and yet in the recent resolutions they seek to reduce it to par even though the resolution appears to have been written a month before the rally was held because a reduction had already occurred.

In connection with Canadian ownership in Canada of Canadian companies the Minister of Finance (Mr. Fleming) has done a thorough job in imposing the 15 per cent withholding tax. The rally resolved that action be taken to encourage Canadian participation in ownership of Canadian enterprises and to extend the principle that the boards of Canadian companies should comprise a majority of Canadian directors. That, too, must have been written a month before the rally took place because that is exactly what our Minister of Finance did in the interim. May I recall to the Liberals who, after having been thrown from office, have had a change of heart because they did not think that way even in 1957 when, as reported at page 2214 of *Hansard* of that year, the then Liberal minister of finance, the Hon. Walter Harris said:

—the most striking feature of 1956 was the extraordinary increase in capital investment. 1956 was the greatest year of capital expansion in our recent history. A good deal of this investment program was financed from outside Canada.

The hon. gentleman was boasting about it at that time but now hon. gentlemen opposite would do away with this. The hon. gentleman also went on to say:

The net inflow of capital into Canada was $1.4 billion.

That year's inflow represents about one twelfth of Canada's foreign debt at the present time. There was no aid to Canadians at that time but there was 100 per cent aid to the people of the United States including the putting up of $100 million by way of a loan to foreigners to help them build the trans-Canada pipe line.

Just to show both faces of hon. gentlemen opposite, let me refer to what was said at the Liberal rally with respect to the question of unemployment insurance. The subcommittee on unemployment advocated the payment of higher unemployment benefits, including supplementary payments which would raise the benefits to two thirds of the previous earnings of any unemployed person undertaking a vocational training course to equip him for another job.

My hon. friends opposite went so far as to recommend that this assistance should be increased but they left it to the Conservative government to do so. Although the hon. gentlemen opposite recommend that these payments should be increased at this time I recall that not so long ago the hon. member for

Essex East (Mr. Martin) challenged the government by saying that the unemployment insurance fund was going to soon run dry and dared the government to attempt to replenish the fund by requiring:

—employers and employees to pay increased contributions on top of the 30 per cent increase put into effect last year.

In other words, my hon. friends advocate one thing and yet in the past they have always done another.

Turning to the question of industrial research I wish to pay a tribute to the Conservative hon. member for Lambton West (Mr. Murphy). Year in and year out that hon. gentleman has insisted in parliament that a great deal of the industrial research done by United States companies should be undertaken in Canada giving employment to Canadians, especially that undertaken by the subsidiaries of these foreign corporations. In vain the hon. member urged the former Liberal government to establish a committee to explore ways of encouraging more industrial research in Canada. The former Liberal minister of trade and commerce, Mr. Howe, brusquely rejected this proposal year after year and urged the voters in the constituency of Lambton West, on the occasion of a visit to that area, to "get that man Murphy off my back". At present, however, the Liberal rally has adopted a resolution urging that which the hon. member for Lambton West has been advocating for ten years.

Another inconsistency relates to the question of national defence. I might respectfully suggest here that the Liberal rally hit the international headlines through the support of our Nobel prize winner, the Leader of the Opposition, of a declaration made at the rally. The hon. gentleman gave his support to the rally's declaration in favour of a creative peace for Canada by withdrawing our forces from the active defence of North America and limiting our contribution to NORAD to air detection, identification and warning; in other words, to reduce Canada's role to that of bird watcher for the United States. But the same Leader of the Opposition told us in his comments in the 1957 debates—and I quote from page 1062 of *Hansard*, volume II—that the establishment of NORAD was:

—considered and, I think, approved by the officers of the Department of National Defence and perhaps by the minister of national defence.

This was while the former Liberal government was still in office. Thus, the decision of this rally, supported by the Leader of the Opposition, is a volte-face from their attitude on the previous occasion.

I will not go into the question of a national flag—that was discussed at great length yesterday—except to quote from the book by John Wesley Pickersgill that the question of a national flag was decided by an order in council supported by Mackenzie King on March 20, 1944, when an order in council was passed establishing the Canadian ensign as the national flag of Canada.

Mr. Pickersgill: It was on September 5, 1945.

Mr. Walker: On September 5, 1945, yes. I guess it was in the entry in the diary of March 20, 1944, when Mackenzie King said:

Before waking, I was dreaming of the union jack. Felt that it could be proclaimed the national flag of the United Kingdom, that the dominions could each have its own distinctive flag as well, with a union jack in the corner to show historical evolution and present association with the United Kingdom.

As the hon. member for Bonavista-Twillingate (Mr. Pickersgill) said:

At caucus a week later, Mackenzie King advised that Canada take the Canadian ensign and accept it at once as her national flag.

And, as he just said, on September 5, 1945 that order in council was passed and the French-Canadian secretary of state, the Hon. Roch Pinard, at page 3216 of *Hansard* of 1955, told the House of Commons:

The red ensign, as recently explained by the prime minister (Mr. St. Laurent) was adopted as a distinctive Canadian flag by order in council on September 5, 1945.

I should like to talk about health insurance also. The Liberal convention, not just this last time but away back in 1919, had as its most distinctive role at that time the advocacy of a national health scheme. Twenty five years later the public were still fooled on that subject. I quote from the "Mackenzie King Record" by the hon. member for Bonavista-Twillingate at page 635, where he said:

The cabinet had never made a definite decision.

But the cabinet then agreed that Mackenzie King should look into the matter. He consulted the deputy minister of finance, and then he confided to his diary that at a time when Canada, with the rest of the world was having unprecedented prosperity:

Frankly, I did not think the treasury could stand it.

Still, years later—

Mr. Pickersgill: In the midst of war.

Mr. Walker: —when the treasury built up big annual surpluses the Liberal government took no action, when it was in a position to do so. But now, with a deficit of $300 million, brought about in an effort to solve unemployment, we have the Liberal rally in the face of that advocating at this time the introduction of a national health scheme, regardless of the cost. They do not want

any royal commission; they want to investigate nothing; they want to get this thing under way at the present time.

I could go on and deal with old age pensions. The Liberal rally approved an increase in those pensions, and yet one of the last things Walter Harris did in March, 1957, and I quote from page 2222 of *Hansard*, was this, he expressed the Liberal government's approval of the addition of a mere $6 to the then monthly payment of $40 by saying:

> We are happy to be able to improve old age security payments.

Hon. members know what happened.

To dispose of Canadian agricultural surpluses the rally recommended that support be given to the establishment of a world food bank. At the NATO council meeting in Paris on December 16, 1957 the Prime Minister (Mr. Diefenbaker) made that suggestion. That is more than three years ago, and he reiterated it just a few months ago in probably the greatest speech ever made at the United Nations in reply to Mr. Khrushchev.

The Liberal rally adopted a resolution to cut personal income taxes "during the present unemployment emergency" and to increase immediately the spending money available. Now to cut it even slightly would result in a reduction of $500 million in government revenue. They advocated the cutting of the income tax and at the same time they adopted resolutions having to do with health insurance, increased pensions, increased vocational training and an increased public works program as well as increased urban redevelopment. They advocated measures and policies which, if inaugurated, would cost the Canadian taxpayers anywhere from $1 billion to $1.5 billion. It is almost impossible to work it out.

An hon. Member: A year.

Mr. Walker: Quite right, a year. I appreciate that addition; it is a very helpful one.

The main thing is that they are going to cut down our income tax. What is the total income tax collection in Canada in one year? It is approximately $1.6 billion, and yet they are going to add $1.5 billion to federal expenditures. In other words, what they have suggested is that the net additional costs of the proposals put forward at the rally would call for higher taxation equivalent to double the present income tax. What do you think of that, Mr. Speaker? Do we wish our income tax doubled? Emerson wrote—I do not necessarily agree with him:

> Who dares think one thing and another tell, my heart detests him like the gates of hell.

I do not apply this to the Liberals at all, but I am respectfully suggesting—and it is very seldom that I am as respectful as I am tonight—that never in Canadian history was there a more shameless vote-catching exhibition than that in which the Leader of the Opposition indulged. I might expect it from the hon. member for Bonavista-Twillingate. This Liberal rally was in reality a study in vote-catching.

I should like to touch on the question of unemployment. Nobody can overestimate the seriousness of this problem. I know it, and we all know it. I worry about it. We all hate to see people unhappy, particularly wives and children. We hate to see the demoralizing effect of unemployment on the poor unfortunate person who is unemployed. Let me say quite frankly, this situation is going to be worse before it is better. The hon. member for Peterborough will appreciate this as well. What I say is that it is no consolation for us to point out that under Liberal regimes in the past we have had very high unemployment figures. This is only playing politics on either side of the house. We know it is a serious problem and we know we must do our best to solve it. Also, it is no consolation to say that the figures in the United States are enormously high at the present time. That is no consolation. But perhaps the hon. member for Laurier (Mr. Chevrier) will not mind my pointing out to him that some of the figures that he slipped in this afternoon—and I did not see them until afterwards—were figures for only the first 11 months of the year. He forgot to tell us that. Perhaps he does not read the *Globe and Mail*. I have here an Associated Press dispatch from Washington which appeared in the *Globe and Mail* of January 23 and which reads in part as follows:

> Labour Secretary Arthur Goldberg estimated the current number of unemployed at 5,500,000—

Not 4.5 million as has been bruited about.

> —up one million from the reported mid-December total.

The total number of United States unemployed is 5.5 million. The labour force of the United States is 70.5 million and with 5.5 million unemployed in that country the percentage of unemployed is 7.8. Comparisons are difficult, Mr. Speaker. In the United States their armed forces have drained off the labour market 2½ million young men. We have 120,000 in our armed forces. So you can see how difficult it is to compare these figures. Suppose even a part of the 2½ million who are in the armed forces of the United States were on the labour market at the present time. What a tremendous change that would make in the percentage figures.

Again, is it fair to compare our figures of 528,000 at this season of the year in Canada,

the land of the north, where seasonal unemployment has always been one of the greatest bugbears right across Canada except on the west coast? We are greatly affected by seasonal unemployment whereas in the United States, with all their other unemployment, they do not have to contend in the same way with seasonal unemployment.

I am not criticizing. The hon. member for Laurier is putting his best foot forward. However, perhaps he could have helped us by bringing these figures up to date. Never mind. What can we do about the problem? Before we decide what we can do about it, what is the cause of it? We are not blaming it on the prior administration. We admit that when we took office in 1957 the government of Canada had been running down since the death of Mackenzie King but we are not stressing that at the moment.

We have an unemployment problem and on each side of the house it is admitted that it is caused largely as a result of the automation revolution by which machines have taken the place of manpower. In the pulp and paper business of the hon. member for Dufferin-Simcoe (Mr. Rowe) one machine does the work which a short time ago was done by 200 men. Since 1947, 50 per cent of the farmers have left the land and yet the production of the farms is greater today than ever before. Machines are taking the place of manpower and great multitudes of men are unemployed for that reason. Farmers have come into the urban centres looking for jobs, and until that adjustment is made we are going to have the problem of unemployment.

The problem cannot be solved in a day. The hon. member for Essex East would have us solve it tomorrow but no less a person than their knight in shining white armour, Mr. Walter Gordon, is reported in this way in an article in the Ottawa *Journal* of January 20:

> He expressed the opinion that little could be done to relieve unemployment within a short period of time—

There is no question that he is right about that. What can we do about the problem of unemployment caused by the automation revolution? First and foremost, we must educate for jobs the unemployed, 40 per cent of whom have not got past eighth grade. The day of the unskilled labourer in this country, particularly in urban areas, is almost at an end. Do not let any child leave school unless he has some trade, some vocation, some profession or is able to do something in which he is an expert. Even the farmer has to be an expert at the present time. So this vast federal program of vocational training is the finest thing that has ever been done by any government to solve the age old problem of unemployment.

It is quite true that at the present time we would like to do something immediately. We cannot just leave this thing until everybody is educated for a new job and people are placed again in industry. We have to do something about it now. The $100 million winter works program in my Department of Public Works is an effort to do something in that regard. This magnificent municipal winter works program of the Minister of Labour (Mr. Starr) is affording employment for hundreds of thousands of people and is a far greater success than was ever anticipated.

Then there is our new housing legislation. I am not boasting as its minister. I am simply giving facts. We are now allowing a new class of people to buy houses, people who have good, steady, but low incomes and are working hard and have never been able to get the down payment on a house. With the 95 per cent loan provision they can now buy a house and this is greatly increasing the demand for houses. Builders can build as many presold houses as they can get orders for. Here is a tremendous field if the Canadian people will accept the opportunity, because all we can do with these measures is to create the opportunity. Loans of $4,000 each guaranteed by the government can now be secured to improve a million and a half rental houses. If the owners of even one third of these houses would improve them during the winter months, just think of the great incentive that would be to employment, hundreds of thousands of jobs.

I could go on and mention the provisions of my department with respect to sewage disposal plants. Even the city of Toronto wants to take advantage of this and build a subway and class it as a sewage disposal plant. That subway sewage mix-up might happen some places but I would hate to suggest that could be said of my dear city of Toronto. Mighty incentives are being provided and we are getting immediate replies from right across Canada. We are going to create a lot of employment.

Then there is my department's provision respecting the construction of university residences. Each one that is built will create more employment. The government has also provided government guaranteed loans to small business. All we can do is to create opportunities. It is up to small business "to grasp the skirts of happy chance," as Tennyson once said, obtain their loans and start on the way to expanding their businesses. I had no ulterior motive when I said that.

The corporation tax is being reduced to 21 per cent on the first $35,000 of income. That is a great incentive to business to go ahead

and expand and create employment. The productivity council is one of our long range measures by which Canada is going to vastly increase its production. I am trying to deal with all these things in the time allocated to me. There is the matter of getting our dollar down to par, an objective in which the brilliant Minister of Finance has succeeded so admirably. The trade conference convened by the ebullient Minister of Trade and Commerce (Mr. Hees) should have a great effect on the economy of Canada and by increasing our exports result in a phenomenal increase in employment.

But, Mr. Speaker, the government cannot do it all. Last year our gross national product was greater than ever before but 5,000 municipal governments, 10 provincial governments and one federal government only accounted for 15 per cent of that gross national product. In other words, the goods and services produced by all levels of government only amounted to 15 per cent of our gross national product or our wealth.

Who then must solve the problem of unemployment? It falls upon the other 85 per cent who are engaged in free enterprise. The government is not shirking its responsibility. The government wants to lead, to encourage, to assist in creating opportunities for this 85 per cent by the legislation which we have passed. The problem is a tremendous one and I entreat the support of all the Canadian people in solving it.

Mr. Hubert Badanai (Fort William): Mr. Speaker, first of all I should like to congratulate all those who have participated in this debate. The various points of view advanced, even by way of disagreement, should be helpful to all concerned. A sufficient time has elapsed since the supplementary budget, sometimes referred to as the baby budget, was introduced on December 20 last to formulate an accurate assessment of the event, the advance notices of which were full of optimistic predictions.

These predictions, like many others involving pieces of government legislation, proved to have been mere wishful expectations which failed to materialize. The minister, in a discourse an hour and a half long, took the occasion to deliver a stern lecture on the vital need for management and labour to hold back on wage and price increases and, at the same time, to strive for increased production. Indeed, in his effort to impress the Canadian people, the minister managed to impress only himself with the legal verbiage with which he hoped to cover important omissions which I shall endeavour to enumerate during my allotted time in this debate. First, however, I should like to indicate my pleasure over the couple of measures the budget contains with which there is no quarrel on this side of the house.

We commend the introduction of the proposal to allow university tuition fees to be deductible for income tax purposes. We also welcome the decision to allow accelerated depreciation write-offs by firms which undertake to establish new manufacturing facilities for new products. However, in this connection, an idea advanced by Professor Stanley Surrey of Harvard University should have a great appeal and, personally, I think it would be a decided improvement on that proposal contained in the budget.

Briefly, the idea is this. Instead of giving business and corporations a faster write-off on plant and equipment, leave the depreciation deduction as it is and give business an investment credit that would cut a company's tax bill as its total investment expanded. Under this proposal a corporation or business would deduct from its tax bill a percentage of the amount by which its investment in new plant and equipment during the year exceeded its current depreciation deduction.

In that way, a company would benefit in direct proportion to the amount of increased plant and equipment that it creates. If this method were implemented the treasury would lose some revenue but would make it up and more by closing probable loopholes. This method could also mean the establishment of new industries.

I have tried hard to find a good reason to justify a reasonable degree of appreciation for this particular baby budget except to provide an opportunity for hon. members to speculate on the inscrutable working of the mind of the Minister of Finance (Mr. Fleming). I was rather astonished to hear the parliamentary secretary to the Minister of Finance (Mr. Bell), in his speech on the debate, as reported at page 1077 of *Hansard* say this:

> —seldom has a budget met such a universality of approval from objective critics.

If he had said "universality of disappointment", he would have been much closer to the facts.

The hon. member for Halton (Mr. Best), the Minister of National Revenue (Mr. Nowlan) and others have tried hard to create a diversion by confining their speeches to lopsided opinions of the Liberal rally and prophesies of doom for the Liberal party, intended more or less to draw the attention of the house away from the shortcomings of the budget.

The hon. member for Vancouver-Kingsway (Mr. Browne), who suffers from the illusion that the majority of Canadian taxpayers paid

less in taxes in 1959 than in 1956, would be well advised to scrutinize the figures again. They are as follows:

Tax Collections

	Fiscal Year 1956-57	1959-60	Percentage Changes
	(millions of dollars)		
Personal income tax	$1,525.5	$1,751.6	+14.8%
Corporation income tax	1,335.6	1,234.2	— 7.7%
Net federal sales tax	717.1	732.7	+ 2.1%
Total	3,578.2	3,718.5	+ 4 %

The difference between the totals is $140 million.

The Acting Speaker (Mr. McCleave): Order. I must ask that the members on the right side of the house abate their conversation in order to allow the hon. member who has the floor to make his speech.

Mr. Badanai: The hon. member might very well ponder the question of who paid the additional $140 million in federal taxes in 1959. It certainly was not the corporations, for the figures reveal that they paid approximately $101.4 million less in taxes in 1959. The answer, of course, is that this additional tax burden fell on the individual Canadian taxpayer in the form of personal income tax and additional federal sales tax.

The justification for the pre-Christmas session, which was understood to have been called for the specific purpose of introducing measures which would alleviate unemployment, has not been realized by the contents of this budget. It has ignored the expected elimination of the 7½ per cent excise tax on automobiles, something which would have created a greater demand for Canadian-made cars and thus have increased the number of jobs in our car manufacturing plants. The minister failed to mention the automotive industry, notwithstanding the representations and consultations with manufacturers, labour unions and others. Evidently the minister is quite satisfied to leave the problem with Dr. Bladen, whose prescription will eventually reach the door of the office of the Prime Minister (Mr. Diefenbaker) where it will receive the usual consideration.

My opinion is that the elimination of the 7½ per cent excise tax would do more to revitalize the industry than would any other single government action and I shall be surprised if the one-man royal commission does not make the removal of the excise tax on motor cars one of its first recommendations. It was unfortunate that instead of waiting for the commission's report on its findings the government imposed an increase in the valuation placed on British and European cars imported into Canada, the effect of which was only to raise the price of these cars by approximately $300.

This action of revaluation can be looked upon as being embarrassing to the commission which the government set up for the very purpose of prescribing remedies. If the commission should recommend that valuations on imported cars be not increased, what is the government then going to do? Then we can well ask ourselves what was the purpose of appointing a royal commission.

I must confess that I share the disappointment of the entire automotive industry in the failure of the minister to remove the iniquitous 7½ per cent excise tax on passenger cars which, I may add, is being levied under false pretences. I think I am justified in saying this because it is a tax which was originally imposed as a luxury tax to discourage Canadians from buying at a time when there was a scarcity of steel and other materials which were needed first for the war effort and second, for the re-establishment of secondary industry in the post-war period. The time is long past when such reasons or excuses can be considered valid for the retention of this tax.

The minister had nothing to say about the premium on the Canadian dollar. It is true that it is now at near par with the United States dollar. However, a stabilization of the rate of exchange for the Canadian dollar should be considered now. It should have been done a long time ago.

The apparent advantage of the premium has actually been a problem which interfered with the stimulation of export trade. I directed a question to the Minister of Trade and Commerce (Mr. Hees) in the house during the trade commissioners' conference in Ottawa. I asked whether the high priced Canadian dollar had been discussed. I was more than mildly surprised to receive a negative reply from the minister whose responsibility it is to promote exports.

I venture to say that the minister of the newly created Department of Forestry—to whom I wish to express my congratulations upon his appointment, and also my best wishes—will not find it difficult to agree that the premium on the Canadian dollar has been a definite detriment to the forest industries, which are substantial in the economy of our nation. Were it not for a healthy pulp and paper business northwestern Ontario would be economically insolvent. I need not remind the minister that practically one third of our annual total exports is represented by pulp and paper, lumber and other forset products.

In the gross national product forestry industries represent twice the combined output of all the metal mines in Canada. But we

are failing to maintain our share in expanding world markets because foreign buyers have had to pay a substantial premium on our dollar, thus contributing to the deterioration of our export markets. As an example, the newsprint capacity in the United States has increased 140 per cent since 1952, while Canadian newsprint capacity has increased during the same period by only 44 per cent. This was due to our high priced dollar which has adversely affected every Canadian industry dependent on export for survival.

The effect of the booming Canadian dollar as compared with its counterpart in the United States upon the economic fortunes of the Canadian mining industry, including iron ore, copper, zinc and gold, has been only too apparent to the people engaged in mining. A Canadian dollar which was stable at its present level would in effect eliminate the necessity of subsidizing gold mines which are now being assisted by the emergency gold mining assistance legislation. In other words, even the government would benefit directly if it took the appropriate action.

Mr. A. T. Lambert, president of the Toronto-Dominion Bank, speaking to the Toronto Rotary club recently, stated, as reported in the Montreal *Gazette*, that the fluctuating rate by which the value of the Canadian dollar went up and down in terms of other currencies according to market demand "seems to have long outlived its usefulness". He continued:

> We should now begin to restrict its fluctuations within progressively narrower limits, with the idea of re-establishing eventually a fixed rate at a realistic level which we must be prepared to defend.
>
> This would be the most important single step Canada could take towards re-establishing the competitiveness of its industry. If this involves some costs and risks, the benefits will more than justify them in the end.

One of the worst features of this budget is the implication of its narrow nationalism, which is designed to discourage United States capital to activate our undeveloped resources and industries. Had it not been for outside capital the great iron ore deposits of Steep Rock would still be under a lake, millions of trees would be rotting in our forests and fewer jobs would be available to our labour force.

Large capital investments are essential for the expansion of our economy and the growth of our nation. Canadian investments alone are not sufficient to sustain an economy at a pace launched by a Liberal government in the post-war period and which alone can bring back full employment and prosperity for all. In spite of what has been said to the contrary, we are still operating under a tight money policy which is tied to high interest rates, making things most difficult for industry in Canada and thus contributing directly to unemployment.

The recent legislative measures taken to help the employment situation, such as the extended winter works program or the vocational training program, while commendable are inadequate to meet the immediate problem.

The failure of the minister to provide for the establishment of a municipal loan fund is most regrettable. Such a fund would have made it easier for municipalities to finance all kinds of needed capital expenditures which would have created many more jobs. Some of the municipalities are unable to take advantage of the latest winter works program to the full extent simply because they find it difficult to sell their debentures at a reasonable rate of interest. The minister again ignored these difficulties which I pointed out in this house at every opportunity, and I shall continue to do so until this crucial need is met by the government.

For nearly three years this government has turned a blind eye to the continuous creeping cancer of unemployment, preferring to minimize the problem rather than tackle it energetically. In my own constituency, notwithstanding the zeal and hard work of the management of the Fort William unemployment office and that of the chairman and members of the lakehead employment advisory committee to the unemployment insurance commission, the situation remains grim. The latest figures show that 3,250 people are seeking employment. These figures reveal the story in its naked truth.

In my view the minister made an important omission in failing to give any encouragement to shipbuilding in Canada. On June 27 last, speaking on the amendments to the Canada Shipping Act, I suggested that the Canadian government should take steps toward the re-establishment of a Canadian merchant marine. I pointed out that the eight ships sold to Cuba in 1958 was a mistake. As far as the Minister of Finance is concerned, a Canadian merchant marine has never existed and his present budget, like its predecessors, has ignored a potential avenue for the employment of thousands of Canadians in building ships in our shipyards and in manning them on the lakes and high seas.

The United States has a policy that domestic waterborne cargo is reserved exclusively to ships built, owned and registered in the United States, and the government absorbs the difference between the cost of building ships in United States' yards for foreign trade. The United Kingdom allows on all new ships an initial investment allowance of

.40 per cent over and above the normal depreciation allowance of 12½ per cent. Grants are also made for new construction of some types of fishing vessels.

Australia allows a 25 per cent subsidy on all Australian built ships and the coastal trade is reserved to vessels whose wage rates and standards of accommodation are equal to those applicable to Australian ships. Italy has a policy of subsidy which she is now planning to increase in order to boost the shipping industry. This is an extension of aid to shipbuilding which was adopted in 1954 and which is meeting, according to reports, with most gratifying results.

Every trading nation of any importance has a merchant marine and a policy in aid of shipbuilding except Canada, and our heads should hang in shame when we read of landlocked Switzerland which has a merchant marine and is planning to expand. Since world war II she has acquired 27 cargo vessels which total about 200,000 tons, and the ships are manned by 848 crewmen.

Further evidence that the old crack about the Swiss navy is not true is the fact that Switzerland has ratified five convention agreements of the international labour organization on seafarers' working conditions.

World commerce is still being carried by seagoing ships. During the last war Winston Churchill was forever urging the United States, among other things, to lend ships. Canada at that time was already building vessels of all types at a great pace, and young Canadians from the cities and from the farms were becoming mariners overnight. Soon their voices were heard on the seven seas.

The budget did not mention the fact that Canada is the third trading nation of the world, that her natural resources and products are still being carried over the seas of the world, but that the familiar Canadian voices are no longer heard. Men speaking foreign tongues and ships flying foreign flags are carrying our wheat, our iron ore, our nickel, our wood products and oil. The list of flags going through the Suez canal in 1959 included such countries as Costa Rica, Honduras and South Korea. Where was the red ensign?

It is one of the uncomprehensible paradoxes of our time that notwithstanding Canada's enormous coastline, fronting on three oceans, we seem to be the least ship conscious people in the world. According to a report issued by the Canadian maritime commission on November 18, 16 major Canadian shipyards employed an average of 575 people in each, where they should have at least a couple of thousand.

[Mr. Badanai.]

We agree with the minister that Canadians should be urged to invest more in Canadian enterprises, but we cannot help but view with alarm the curbs on investments in Canada by Americans and others outside Canada. By all means give Canadians preference in these investments, but if there is shortage of Canadian investments to meet the requirement of our expected expansion, which is essential to provide jobs for an increasing labour force, then I would say; let outside capital come in to take up the slack without hindrance.

In addressing the bank's shareholders the president of the Bank of Montreal, Mr. Hart, on December 5 last, referring to the monetary policy in the light of current economic conditions, had this to say:

> Business activity in Canada during the year now coming to a close has, in many respects, failed to bear out the optimistic predictions voiced a year ago. Thus far, the "soaring sixties" have shown little inclination to soar.
>
> This country has attained its economic stature and living standards in no small measure by virtue of having abundant natural resources for which there are markets elsewhere, and which must be developed on a large scale and by large injections of capital, if they are to be developed at all. It is not unnatural that to some extent the necessary capital has been provided from outside our own borders by those who need the resources that are being developed. Moreover, Canada as a world trader must keep pace with the technological advances that are going on around her. I suggest that if we are to continue to develop our resources and keep abreast of innovation and modernization by our competitors, we shall do well not to be too fearful of prudent expansion and improvements, and of the financing that is entailed.

The thousands of Canadians who are unemployed cannot await the long term results of the minister's fiscal measures. They are going to take a gloomy view of the jump from a projected $12 million surplus to a $286 million deficit, without any immediate benefits which they can see.

It is generally conceded by a large number of well informed people that one of the major causes of unemployment and the general business slump is the government's policy of monetary restraints. The general reaction to the budget is that it was the worst speech imaginable to deal with the unemployment emergency which, after all, was the principal reason for the early start of the session and which, thus far, has been of little comfort to those who had reason to expect some help.

The suggestion that new tariff boosts may be expected is one which will not bring any cheer to the vast number of consumers. The announcement that it is proposed to increase the membership of the tariff board from five to seven can only be interpreted as foreshadowing tariff increases to come. It is the R. B. Bennett touch of the thirties over again, perhaps not as direct, but subtly moving

toward higher tariffs. We can only pray that it will not lead toward similar disastrous effects for Canada as it did then, though, fortunately, a Liberal administration, five years later, came to the rescue and paved the way to a period of unprecedented prosperity.

The timing of this budget just shortly before Christmas gave hope to many that it would contain some tax cuts and, certainly, the removal of the sales tax on soft drinks. This is a commodity which is largely consumed by children and by people who do not indulge in alcoholic beverages. The industry is faced with increased overhead in the form of machinery and higher wages. At the same time bottling works are reluctant to increase the cost to the consumers. Elimination of the tax would not only encourage expansion of facilities but would provide employment for more people and lead to a greater consumption of sugar products, thus helping the sugar beet farmer. In other words, the benefits would spread over a wide area to the advantage of many people, to say nothing of the encouragement to consume non-alcoholic beverages and thus promote sober habits with beneficial results to all concerned.

This budget will not help much in the promotion of jobs for the 3,250 unemployed people in my constituency. The Canadian Car Company plant in Fort William is one of the most spacious and modern manufacturing establishments of its kind in Canada. It has facilities for the employment of several thousand workers, and during the second world war it employed up to 7,000. It has a record for building aircraft of all kinds and description. It has built buses, trailers and ships, and yet approximately only 400 people are now employed. This company's engineers, with the assistance of technicians from the Department of National Defence, have developed an amphibious vehicle known as the Bobcat, which incidentally, was demonstrated to the new Minister of National Defence only a month or so ago.

It is true that the budget did not mention aid under the Colombo plan, but I suggest that in any future Canadian contribution under this arrangement serious consideration should be given to the inclusion of a number of these vehicles. Vehicles of this type would prove of great help to underdeveloped countries, and in the event that the production of this vehicle is proceeded with I urge the government to award the contract to the Fort William plant of the Canadian Car Company.

With all the sincerity I can command I wish to express the hope that the suggestions which have been made, such as the removal of the excise tax on automobiles, the removal of the sales tax on soft drinks, measures to keep the dollar at a level not exceeding that of the United States dollar, a loosening up of the availability of money, the creation of a municipal loan fund and a move toward the re-establishment of a Canadian merchant marine will be recognized by the minister. I hope the hon. gentleman will give serious consideration to including them in the next regular budget which, presumably, will be introduced during the coming months of March or April.

Hon. J. M. Macdonnell (Greenwood): I am grateful, Mr. Speaker, for the warmth of my reception. I am not at all sure, however, that as I go along the feeling will be so good. It is difficult to believe that at this stage one has anything new to say but I do not feel that this budget needs to have much further said in its defence, especially after the blitz we have had from the Minister of Public Works (Mr. Walker) this evening.

Indeed, I had better begin my remarks with a confession. I am afraid I am going to give something in the nature of a sermon. It is said that every Presbyterian has at least one sermon in him. I have not yet preached my sermon so perhaps I shall do so this evening. If I fail to attract the attention of hon. members I shall have to resort to what Benjamin Disraeli said following his first speech during which he was given a very rough time. He said, "You have not listened to me now but the time will come when you will listen to me." At any rate, I have a text and my text comes from the inaugural address of the President of the United States. It is this:

> To those peoples in the huts and villages of half the globe struggling to break the bonds of mass misery, we pledge our best efforts to help them help themselves—
>
> —if the free society cannot help the many who are poor, it can never save the few who are rich.

I commend those last words to the house and ask that hon. gentlemen pay particular attention to the fact that the president in addition to his humanitarian feelings, which do him credit, had a hardboiled, realistic warning to sound, and I wish to indulge in both of those tonight.

I spoke on this a year ago but I cannot believe that I made a very profound impression. Indeed, I think I was regarded as a kind of egghead, possibly harmless but certainly not very interesting. I believe that to some extent public opinion has moved since then. At that time I quoted the words of the Prime Minister (Mr. Diefenbaker) and the Minister of Finance (Mr. Fleming) and I should like on this occasion to repeat their words which I quoted at that time. The Prime Minister said:

> Economic assistance to underdeveloped countries is a major and mandatory need if freedom is to be preserved in the world.

The Minister of Finance said:

> We are so dependent upon foreign trade and so closely linked in many ways with the fortunes of the United States and our other trading partners that we are bound to be affected, for good or ill, by the swings of economic activity originating outside our own borders.

The minister has repeated that in other words many times in the last year. For myself, I shall be satisfied if I can make a contribution, however small, to this question which I believe is urgent. I believe we disregard it at our peril as well as at violence to our better feelings.

We cannot leave everything to the government. The government has done well but public opinion has to do something. The Secretary of State for External Affairs (Mr. Green) the other night in Toronto put this very question to the audience and found that only a few of them were really interested to the extent of being prepared to do anything about it. I deal with this question on the budget speech rather than in the external affairs debate because I wish to stress its economic aspects. I wish to stress its relationship to and influence upon unemployment.

I believe it can be said today, looking at the problem both from a humanitarian, political and business point of view, that we are justified in saying "the hour for dealing with this question has been long averted, has been long delayed; but it was always inevitable and it has come at last." I believe that with all my heart.

Hon. gentlemen opposite of the Liberal party have introduced a certain number of suggestions but their chief ideas seem to be financial devices of which the opposition are so fond. What I want to pin our attention to is what I believe to be the real need—this has been stressed by the Minister of Finance many times—for increased foreign trade.

I am tired of the words "emergency" and "depression". We all know how serious unemployment is. We on the government side of the house are as much affected by it as anyone—perhaps even more affected by it because of our responsibilities—and I think that bandying about the words "depression" and "emergency" will not get us anywhere. What I want to do is try to state in plain words what is the situation. Once we know what it is we will know where to go from here. For the sake of clarity I am going to read a short statement:

> The first fact to be understood is that unemployment though serious in some places, exists in the midst of national prosperity, not as high as the government predicted but still high in the nation as a whole.

And further, relating to the unemployment situation:

> It may require special measures and increased public expenditures out of taxes in some areas but above all it requires a readjustment of our economy to a changed situation, to new competition in the world market and to the buyers' resistance against high prices in the domestic market. It requires in short, a reduction in costs and prices to encourage the sale of goods at home and abroad.

I suggest without fear of contradiction that this is an apt description of the government's policy. It may interest hon. members to know that that is a quotation from the Winnipeg *Free Press*, a newspaper not notoriously partial to our party. It appeared in an August issue. It may be said, "Oh, but that was last August." I answer at once and say, "Yes, the statement appeared last August but the situation has not changed substantially since then."

I want to quote another witness, the president of the Canadian Bank of Commerce, speaking at the annual meeting the other day. He deals in clear, crisp words with what I believe is the true situation.

After referring to aspects of international trade, particularly the common market in Europe, he goes on to say:

> These developments on the international scene accompanied as they have been by slower growth in the Canadian economy have forced us out of the complacent mood which characterized the post-war years. Instead of an insatiable demand for our natural and processed products abroad, we face competition from many other countries, and the European common market may possibly soon be self-sufficient in many commodities which Canada has traditionally sold to some of its members. This outlook might dispose some of us to be gloomy but in fact there is no more room for discouragement now than there was for excessive optimism a year ago.

Here are really plain, accurate, intelligible words from competent observers which I believe describe the true situation.

My comments on the budget will be very short. This remarkable infant is tough and resilient. You might call it a "tough baby". It needs little defence because it does not pretend to work magic. As the hon. member for Carleton (Mr. Bell) has said:

> It is a sincere, honourable and intelligent grappling with a dislocation, part of which is seasonal, more of which is technological, all of which will respond only to a variety of treatments.

Aid to underdeveloped countries is an additional treatment which I wish to suggest.

Let us briefly examine the contributions made by hon. members of the opposition. We must not be too critical. Hon. members of the opposition are still not perfectly at home in their role as the opposition. They still at times have a feeling that they are or ought to be the government. After a few years more they will feel more at home and will perhaps function more efficiently.

The Leader of the Opposition with echoes of the Liberal jamboree still ringing in his ears made a speech full of financial devices but the hon. gentleman evaded the plain questions put to him by the Minister of Finance. We were asked to take seriously a statement to the effect that if the opposition had only been in power they would have taken precautions, they would never have been led astray by any wrong figures. We are asked to believe that they would have had what they described as a planned deficit. They, of course, they assert would not have been deceived by the upturn in 1959 running into 1960 but would have seen beneath the surface and would have had their plans all ready. But when the Minister of Finance asked the Leader of the Opposition (Mr. Pearson) point blank what size deficit he favoured he got nothing but generalities in reply.

The Leader of the Opposition said it was not so much the size that counted but that the deficit should be planned in advance to correct recession. This sounds to me like high-flown, thin-spun theory and I much prefer to use the more pedestrian words of common sense. I recommend that the Leader of the Opposition and his followers study the words of the quotations I read from the Winnipeg *Free Press* and the president of the Canadian Bank of Commerce.

I come now to the hon. member for Bonavista-Twillingate (Mr. Pickersgill). It is always interesting to listen to him. He was wearing a false face and using as his own the words of the minister of finance in 1955. The difference is that in 1955 the words were accurate. As far as I can discover at that time there were no plans made to deal with unemployment and, of course, the boom came along and bailed them out; whereas nobody can suggest—

Mr. Pickersgill: I am sure the hon. gentleman would not wish to be unfair. Perhaps I can ask him whether he does not recall that it was in the session of 1955 that the previous government established unemployment assistance?

Mr. Fleming (Eglinton): With a threshold which denied the benefit to nearly all of the provinces.

Mr. Macdonnell: I am always ready to accept a correction by the hon. member for Bonavista-Twillingate but I would just point out that that was rather a skimpy little chicken compared with what we are doing.

Mr. Pickersgill: It was not as much needed.

Mr. Macdonnell: I just mention briefly some of the things the Minister of Finance has been responsible for, such as aid to small businesses, stimulus to housing, double depreciation, and so on.

Now the thing that struck me, because I am always interested in the use of adjectives by the hon. member for Bonavista-Twillingate, was the adjectives he used with respect to the Minister of Finance, which I think were singularly inappropriate. In one place he referred to him as reckless. I have known the minister a long time and I can say "reckless" is singularly inappropriate. It was singularly inappropriate to use two other words. The only two other words that I can think of which are more inappropriate than the word "reckless" to use of the Minister of Finance are the two other words the hon. member for Bonavista-Twillingate used, that is "sly" and "furtive". How utterly inapplicable. The Minister of Finance is always ready to come out in the open. I repeat that the words "reckless", "sly" and "furtive" should not be taken seriously. I make bold to say—and I am not going to dwell too long on this—that the Minister of Finance has made a reputation not only for ability but for courage and common sense, which will survive all these irresponsible criticisms.

I come now to the question of foreign aid, which has been described as the greatest question of the second half of the twentieth century. I ask anyone whether he can laugh that off? Second, I want to represent it as the greatest opportunity to deal with the question of unemployment because, as the Minister of Finance has said so many times, what we have to do is to increase foreign trade. The Minister of Trade and Commerce (Mr. Hees) has made a real contribution by the conference that was held here when all the trade commissioners were called together. Unfortunately, as was pointed out again and again by people like Stevenson, Hoffman and others, the real solution is to get those people—I saw the figure given as 2,000 million the other day—who have almost no buying capacity, into the economic position where they can buy.

I have one illustration which is so small that I almost blush to mention, but nevertheless in principle it is as sound as a bell. It shows what can be done. I asked the Department of Northern Affairs and National Resources whether they could give me an illustration from the Eskimos, and they gave me a most beautiful illustration of a tiny community of 200 or 300 people living on the dole. They were in receipt of nearly $20,000 a year. By instruction and better methods of fishing, within a year or two, they were in a position where they had a buying capacity. Instead of taking money out of the treasury

they were able to look after themselves. Although it is a tiny illustration, it is absolutely sound in principle.

This problem faces us, as we look around the world, in huge, overwhelming dimensions. Our own exports, of course, are going strong in so far as our primary industries are concerned but our secondary industries need stimulus. Already much is being done to assist. We have long term credits and assistance by government aid, but more is needed to face the tough competition from Europe and from the communists. I suggest there is no reason to believe that we can significantly increase our foreign trade in the face of all the competition there is unless the total of foreign trade is increased and increased substantially. If the cake is to remain the same size, well, then, it is going to be too bad for us.

I should like to read a statement, not from theorists, not from politicians, but from the president of the Imperial Bank, and I would ask hon. members to listen to what he says. This is a serious statement, coming from a serious man whose business it is to lend money and get it back. He has to face the acid test of balance sheets, and this is just one of many statements from similar quarters that could be quoted. He says:

> We also need boldness and imagination in our approach to foreign aid.

I ask hon. members to think that over. I ask, can you laugh that off, boldness and imagination? I continue:

> For a nation of our productive potentialities and high living standards the aid we extend now to other countries is much too small.

This is a bank president speaking. I continue:

> A great increase in non-military foreign aid could be fully justified on moral grounds alone; our status as a nation would be enhanced by such a policy. Nor is it discreditable to any nation following such a policy that providing aid to others will, by maintaining demand, help it to avoid the economic waste of large scale unemployment.

There you have it. To help to raise the growth of the economies of other countries is of prime importance in bringing about that world of expanding trade which is of such importance to our economy and economic well-being.

I see it is just about ten o'clock, and I shall adjourn the debate in a moment. I just want to register one point because I believe there is widespread misunderstanding here. It is of great importance to know that foreign aid does not mean sending millions of dollars to underdeveloped countries. What it means is sending Canadian goods and services, natural products, manufactured products; in other words, it means employment of Canadians. Take the illustration of the Warsak dam in Pakistan where the Minister of Veterans Affairs (Mr. Churchill) took part in the inaugural ceremonies the other day. The sum of $36 million was spent there and 95 per cent of it represented Canadian employment. That is what we are talking about when we are talking about foreign aid.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder whether I can get some enlightenment from the Minister of National Revenue as to the business for tomorrow?

Mr. Nowlan: Mr. Speaker, tomorrow we will not proceed with this debate but we will take up legislation. We will call first item No. 10 on today's order paper in the name of the Minister of Agriculture with respect to a measure to authorize the minister to enter into an agreement with the provinces respecting certain matters concerning loans. When that is completed tomorrow afternoon we will proceed with item No. 6 on today's order paper, a measure to amend the Canadian National Railways Act, and item No. 12, another measure with respect to the Canadian National Railways. I think these matters will take up the most of Wednesday afternoon. Since I will not be here when the house closes on Wednesday afternoon, I will say that on Thursday we shall resume the debate on the budget and if it is concluded on Thursday before adjournment we shall take up item No. 14 on today's order paper, the motion to set up the committee on broadcasting. In any event, we will proceed with that on Friday and also the motion in the name of my colleague, the Minister of Transport with respect to the Canadian National Railways. When these two matters are concluded on Friday we shall revert to legislation to which I have referred.

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

ANSWERS TO QUESTIONS

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

AGRICULTURAL STABILIZATION BOARD LOSSES

Question No. 53—**Mr. Boulanger:**

What has been the total loss incurred by the agricultural stabilization board for the fiscal year 1959-60, as a result of its operations for each commodity covered by the act?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

Product	Net cost or payment during year
Creamery butter	$3,408,614
Cheddar cheese	110,180
Dry skimmed milk	8,108,049
Shell eggs	4,810,277
Fowl	137,762
Hogs	27,861,833
Lambs	360,980
Raspberries	30,660
Milk	9,844,110
Peaches	357,214
Soybeans	1,217,433
Sugar beets	2,656,724
Tomatoes	95,461
Wool	1,219,461

CANNED PORK—DISPOSAL AND RESERVE

Question No. 55—**Mr. Boulanger:**

1. Since April 1, 1958, what quantity of pork has been canned or otherwise preserved by the agricultural stabilization board?

Questions

2. What quantity of such canned or otherwise preserved pork (a) has been sold to date, and for what amount; (b) has been disposed of by way of donations?

3. What quantity of such pork had the agricultural stabilization board on hand December 1, 1960?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1. 122,560,794 pounds from May, 1959 to January 9, 1960.

2. (a) 48,627,234 pounds—$12,632,827.63.

(b) 38,074,482 pounds.

3. As at December 1, 1960, the board had an inventory of 35,859,078 pounds of canned pork, all under contract for sale, subject to future deliveries.

AGRICULTURAL PRODUCTS HELD BY STABILIZATION BOARD

Question No. 57—**Mr. Boulanger:**

What were the quantity and the value of each of the agricultural products held by the agricultural stabilization board, on December 1, 1960?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

Product	Quantity (lbs.)	Value $
Butter, including butter converted to butter oil	131,684,988	86,097,835.54
Dry skim milk	5,707,973	587,087.21
Cheddar cheese	4,239,589	1,451,937.30
Canned pork	35,859,078	22,859,898.40
Lamb	352,490	323,950.46
Raspberries	972,356	343,950.46

HOUSE OF COMMONS

Wednesday, January 25, 1961

The house met at 2.30 p.m.

PRIVILEGE

MR. HOWARD—REFERENCE TO REPORT IN HAMILTON "SPECTATOR" OF JANUARY 19

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on a question of privilege involving an article in the Hamilton *Spectator* of January 19, 1961, written by a Mr. Bruce Phillips of the Southam news service. It deals with some comments of mine on the establishment of a joint Senate and House of Commons committee on Indian affairs. There is a picture of myself appearing with the article, under which is Mr. Phillips' name.

My question of privilege could be with regard to the attaching of Mr. Phillips' name to my picture, but with equal force Mr. Phillips could have a question of privilege arising out of the attaching of my picture to his name. Perhaps this question is irresoluble and should remain that way.

INDIAN ACT

AMENDMENT REMOVING PROVISION RESPECTING COMPULSORY ENFRANCHISEMENT

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration) moved for leave to introduce Bill No. C-61, to amend the Indian Act.

Some hon. Members: Explain.

Mrs. Fairclough: Mr. Speaker, this bill is for the purpose of removing from section 112 of the Indian Act the group of phrases which had imposed compulsion in the matter of enfranchisement of Indians. It is proposed to remove these particular phrases and leave only such as would provide machinery for the examination of applications which are received.

Motion agreed to and bill read the first time.

VOCATIONAL REHABILITATION

PROVISION FOR AGREEMENTS WITH PROVINCES, ETC.

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

That it is expedient to introduce a measure to authorize the Minister of Labour, with the approval of the governor in council, to enter into agreements with provinces to provide for the sharing of costs incurred by the provinces in carrying out programs of vocational rehabilitation for disabled persons; to authorize the minister to undertake the co-ordination of federal activities in the field of vocational rehabilitation and to undertake research in respect to vocational rehabilitation; and for those purposes to provide for the establishment of a council to be called the national advisory council on the rehabilitation of disabled persons; and to provide further for the payment of the chairman's remuneration and of the travelling and other expenses of the members thereof and for such professional, technical, secretarial and other assistance as the council may require.

Motion agreed to.

STARRED QUESTIONS

RADIOACTIVE SAMPLING, BOW LAKE, ONT.

Question No. 51—**Mr. Howard:**

1. Since January 1, 1959, has any sampling of radioactive material in Bow lake, Ontario, been conducted?
2. If so, what was the level of each radioactive material so found for each of the samples?
3. What was the source of these radioactive materials and have any steps been taken to have this practice discontinued or abated? If so, what steps?

Hon. J. W. Monteith (Minister of National Health and Welfare): The answer to part 1 of the question is yes. I would also refer the hon. member for Skeena to my reply to an earlier question about this matter, which can be found in *Hansard* of July 7, 1960 on page 5880.

In answer to parts 2 and 3, I might say that because these questions are part of an issue now before the mining court of Ontario it is considered inadvisable to publish the data involved before this case is decided.

RADIOACTIVE WASTE DUMPING LICENCES

Question No. 52—**Mr. Howard:**

1. Since Atomic Energy of Canada Limited has had authority to issue licences or permission for the dumping of radioactive wastes have any such licences or permission been granted?
2. If so, and for each such licence or permit, what is (a) the date of issue; (b) the name and address of the licencee; (c) the purpose; (d) the locale of disposal; (e) the current validity?

Mr. H. F. Jones (Parliamentary Secretary to the Minister of Veterans Affairs): The atomic energy control board rather than Atomic Energy of Canada Limited is the licensing authority in these matters. The strict reply to the question as put, therefore, would be that Atomic Energy of Canada Limited has never had authority to issue

licences for permission for the dumping of radioactive wastes. In view of this reply, the second part of the question would not be applicable.

However, the board which has the authority to take such action has not issued any licences for the dumping of radioactive wastes. In connection with licences issued to persons authorizing them to obtain and use radioactive materials, the board may issue instructions regarding the disposal of such materials after use.

C.N.R. AMALGAMATION PLANS, FORT WILLIAM AND PORT ARTHUR

Question No. 59—**Mr. Fisher:**

1. Is the Canadian National Railways planning to amalgamate or rationalize in one place, any services or aspects of work, at either Fort William or Port Arthur, which are presently being carried out in each city?

2. If so, what services, at what time, in which place, at the cost of how many jobs, will be so changed?

Hon. Leon Balcer (Minister of Transport): With respect to this question, the management of the Canadian National Railways advise as follows. Effective January 1, 1961, under the new plan of organization in the Canadian National Railways the lakehead division and the Port Arthur division were replaced by a new administrative unit called the lakehead area with headquarters at Port Arthur. There were no staff reductions due to this consolidation, and there is nothing in immediate contemplation by way of service consolidations which would bring about staff reductions.

COMMEMORATIVE POSTAGE STAMP ISSUES

Question No. 63—**Mr. Pigeon:**

1. From 1936 to 1957, how many commemorative postage stamps have been issued by the Post Office Department to mark an event or a figure which is part of our national history or way of life?

2. What was the date of issue of each such stamp and the design thereof?

3. From 1957 to 1961, how many commemorative postage stamps have been issued by the Post Office Department to mark an event or a figure which is part of our national history or way of life?

4. What was the date of issue of each such stamp and the design thereof?

Hon. W. M. Hamilton (Postmaster General): The answer to part 1 of the question is 39. The answer to part 3 is 26. Answers to parts 2 and 4 of the question involve lengthy lists which it might be more convenient not to have read at this time.

Mr. Speaker: The minister is suggesting that the unread part of his answer be printed in *Hansard* with his oral reply. Is that agreeable to the house?

Some hon. Members: Agreed.

[Mr. Jones.]

[*Editor's note: The information referred to above is as follows:*]

2. Date of issue and design of commemorative stamps issued 1936 to 1957.

Date of issue and design—

May 10, 1937, 3¢, coronation, Their Majesties King George VI and Queen Elizabeth.

May 15, 1939, 3¢, royal visit, Their Majesties King George VI and Queen Elizabeth.

May 15, 1939, 2¢, royal visit, national war memorial.

May 15, 1939, 1¢, royal visit, Their Royal Highnesses Princesses Elizabeth and Margaret.

March 3, 1947, 4¢, Alexander Graham Bell centennial.

July 1, 1947, 4¢, advent of Canadian citizenship.

Feb. 16, 1948, 4¢, marriage of Her Royal Highness Princess Elizabeth.

Oct. 1, 1948, 4¢, centennial of responsible government.

Apr. 1, 1949, 4¢, union of Newfoundland with Canada.

June 21, 1949, 4¢, bicentennial of the founding of Halifax.

June 25, 1951, 3¢, Prime Minister Right Hon. Sir R. L. Borden.

June 25, 1951, 4¢, Prime Minister Right Hon. W. L. M. King.

Sept. 24, 1951, 4¢, centennial of Canadian postal administration—early and modern trains.

Sept. 24, 1951, 5¢, centennial of Canadian postal administration—early and modern ships.

Sept. 24, 1951, 7¢, centennial of Canadian postal administration—stage coach and aeroplane.

Sept. 24, 1951, 15¢, centennial of Canadian postal administration—miniature of first Canadian stamp of 1851.

Oct. 26, 1951, 4¢, royal visit, Their Royal Highnesses Princess Elizabeth and the Duke of Edinburgh.

July 26, 1952, 4¢, eighteenth international Red Cross conference.

Nov. 3, 1952, 3¢, Prime Minister Hon. Sir John J. Abbott.

Nov. 3, 1952, 4¢, Prime Minister Hon. Alexander Mackenzie.

Apr. 1, 1953, 2¢, wildlife, polar bear.

Apr. 1, 1953, 3¢, wildlife, moose.

Apr. 1, 1953, 4¢, wildlife, bighorn sheep.

June 1, 1953, 4¢, coronation, Her Majesty Queen Elizabeth.

Apr. 1, 1954, 4¢, wildlife, walrus.

Apr. 1, 1954, 5¢, wildlife, beaver.

Nov. 1, 1954, 4¢, Prime Minister Right Hon. Sir John S. D. Thompson.

Nov. 1, 1954, 5¢, Prime Minister Hon. Sir Mackenzie Bowell.

Apr. 4, 1955, 4¢, wildlife, musk-ox.

Apr. 4, 1955, 5¢, wildlife, whooping crane.

June 1, 1955, 5¢, tenth anniversary of international civil aviation organization.

June 30, 1955, 5¢, jubilee of province of Alberta and Saskatchewan.

Aug. 20, 1955, 5¢, eighth Boy Scout world jamboree.

Nov. 8, 1955, 4¢, Prime Minister Right Hon. Richard B. Bennett.

Nov. 8, 1955, 5¢, Prime Minister Hon. Sir Charles Tupper.

Jan. 23, 1956, 5¢, Canada's popular sport, hockey.

Apr. 12, 1956, 4¢, wildlife, caribou.

Apr. 12, 1956, 5¢, wildlife, mountain goat.

Oct. 9, 1956, 5¢, fire prevention.

4. Date of issue and design of commemorative stamps issued 1957 to 1961.

Date of issue and design—

Mar. 7, 1957, 5¢, outdoor recreation in Canada—swimming, hunting, skiing and fishing (four designs on one sheet.)

Apr. 10, 1957, 5¢, wildlife, loon.

June 5, 1957, 5¢, explorer David Thompson.

Aug. 14, 1957, 5¢, fourteenth congress of the universal postal union, Ottawa—parliament buildings.

Aug. 14, 1957, 15¢, fourteenth congress of the universal postal union, Ottawa—post-horn and globe of the world.

Sept. 5, 1957, 5¢, mining industry.

Oct. 10, 1957, 5¢, royal visit, Her Majesty Queen Elizabeth and Prince Philip.

Jan. 22, 1958, 5¢, a free press.

Mar. 5, 1958, 5¢, international geophysical year.

May 8, 1958, 5¢, centennial of British Columbia.

June 4, 1958, 5¢, explorer La Verendrye.

June 26, 1958, 5¢, 350th anniversary of Quebec.

July 30, 1958, 5¢, national health.

Sept. 10, 1958, 5¢, centennial of oil development.

Oct. 2, 1958, 5¢, bicentennial of first elected assembly.

Feb. 23, 1959, 5¢, jubilee of air flight in Canada.

Apr. 2, 1959, 5¢, tenth anniversary of North Atlantic Treaty Organization.

May 13, 1959, 5¢, Associated Country Women of the World.

June 18, 1959, 5¢, royal visit, Her Majesty Queen Elizabeth.

June 26, 1959, 5¢, opening of the St. Lawrence seaway.

Sept. 10, 1959, 5¢, bicentennial of the plains of Abraham.

Apr. 20, 1960, 5¢, jubilee of Canadian Girl Guides in Canada.

May 19, 1960, 5¢, Dollard des Ormeaux, battle of the Long Sault, 1660.

CAMPBELLTON-CROSS POINT BRIDGE, N.B.—TENDERS FOR FEDERAL SHARE

Question No. 64—**Mr. Robichaud:**

1. Have tenders been called for the federal share of the Campbellton-Cross Point bridge?
2. If so: (a) what was the name of each tenderer and the amount submitted? (b) to whom was the tender awarded?
3. Is it expected that the work will be completed for the amount tendered?
4. If not: (a) have any estimates been made of the extras to be paid to the contractor? (b) what amount has been paid to the contractor to date? (c) what amount remains to be paid when the work is completed?

Hon. D. J. Walker (Minister of Public Works): Inasmuch as this is a long and complicated answer, might it be made an order for return, Mr. Speaker? Perhaps the hon. member for Gloucester would be satisfied if we took that course.

Some hon. Members: Stand.

Mr. Caron: Perhaps the question might be allowed to stand in the absence of the hon. member.

Mr. Speaker: The matter is actually one for the house to decide, but let the question stand.

Question stands.

LETTER CARRIER SERVICE, URBAN CENTRES

Question No. 65—**Mr. Argue:**

1. What urban centres in each province with 3,000 points of call or less have been granted letter carrier delivery service since July 7, 1958?
2. On what date was each such service granted, and what are the number of points of call?

Hon. W. M. Hamilton (Postmaster General): This question also involves a somewhat lengthy list of post offices, and perhaps the answer might be printed in *Hansard* rather than being read at this time.

Mr. Speaker: Is it agreed that the answer be printed in *Hansard* at this point, notwithstanding that it has not been read?

Some hon. Members: Agreed.

[*Editor's note: The information referred to above is as follows:*]

1 and 2:

Urban Centre	Date	Points of Call
Ste. Genevieve, P. Q.	1-12-58	2700
Alma, P.Q.	4- 5-59	2585
Sept-Iles, P.Q.	24-10-60	2761
Gatineau, Que.	31-10-60	2547
Georgetown, Ont.	28- 9-59	2614

Starred Questions

Urban Centre	Date	Points of Call
Whitby, Ont.	2-11-59	2663
Elliot Lake, Ont.	2-11-59	2520
Grimsby, Ont.	3-10-60	2555
Tillsonburg, Ont.	31-10-60	2500
Aurora, Ont.	28-11-60	2534
Grande Prairie, Alta.	11-10-60	2651

ST. LAWRENCE SEAWAY AUTHORITY—SETTLEMENT OF CONTRACTORS' CLAIMS

Question No. 66—**Mr. Argue:**

1. Have any contractors' claims against the St. Lawrence seaway authority been settled since February 1, 1958?
2. If so, what is the number, the estimated value, and the amount paid on each contract, the date of completion and the date of settlement, and the contractor's name?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, this question should stand as an order for return.

Mr. Speaker: Order for return.

ST. LAWRENCE SEAWAY AUTHORITY—BOARD OF DIRECTORS

Question No. 67—**Mr. Argue:**

1. Are there any vacancies on the board of directors of the St. Lawrence seaway authority?
2. If so, how many, what positions, how long has each been vacant?
3. Who are the present members and what are their duties?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, in reply to part 1, the answer is yes.

In reply to part 2, there is one vacancy, that of member, which position has been vacant since March 31, 1959.

In reply to part 3, the present members of the St. Lawrence seaway authority are R. J. Rankin, president, and Dr. Pierre Camu, member. Their duties are as follows. The president shall be the chief executive officer of the authority and shall preside at all meetings of the authority; he shall have the general and active direction and control of the business of the authority and of the general conduct of the affairs of the authority; he shall see that all orders and resolutions of the authority are carried into effect; he shall have general superintendence and direction of all other officers of the authority and shall see that their duties are properly performed.

During the incapacity or absence for any reason of the president, or vacancy in the office of the president, one of the other members designated by the governor in council may exercise and perform all the powers and functions of the president. Dr. Camu was so designated by P.C. 1960-1281 of September 20, 1960.

[Mr. Speaker.]

U.N. CONFERENCE, 1945—CANADIAN DELEGATION

Question No. 68—**Mr. Cardin:**

1. Were any members of the House of Commons, members of the Canadian delegation, either as official delegates or official observers at the founding conference of the United Nations at San Francisco in 1945?
2. If so, what are the names of any such members of the House of Commons?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the answer to part 1 of the question is yes. In answer to part 2, those attending were Right Hon. W. L. Mackenzie King, prime minister and secretary of state for external affairs; Hon. Louis S. St. Laurent, minister of justice and attorney general of Canada; Gordon Graydon; M. J. Coldwell; Mrs. Cora T. Casselman.

In addition, the following persons now members of the House of Commons attended the conference: The present Prime Minister, John G. Diefenbaker, as advisor to the Progressive Conservative representative on the Canadian delegation; Lester B. Pearson, who was present as one of the senior advisors and alternate delegates to the delegation; J. W. Pickersgill, as a member of Right Hon. W. L. Mackenzie King's secretariat.

UNPLACED APPLICANTS FOR JOBS

Question No. 69—**Mr. Martin (Essex East):**

What is the number of unplaced applications for jobs in September, October, November and December, 1960, and the latest available figures during January, 1961?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, the answer to this question, in tabulated form, is as follows:

Date	No. of Unplaced Applicants
September 15, 1960	346,176
October 13, 1960	357,677
November 17, 1960	452,715
December 15, 1960	640,226

[*Later:*]

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask a question of the Minister of Labour or of his parliamentary secretary, who dealt with the answer to starred question No. 69. May I ask either of these hon. gentlemen if the answer could be completed by giving an answer to the request that we be given the latest available figures of unplaced applicants for any period during January 1961? I understand that these figures are given to the minister every week.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the figures that were asked for by the hon. member for Essex East were supplied up to the time they were available in the unemployment insurance commission offices. These figures are used for their own information in the administration of the unemployment insurance commission. Evidently these figures were not available to provide an answer when the question was put.

PERCENTAGE OF LABOUR FORCE UNEMPLOYED

Question No. 70—**Mr. Chevrier:**

In what years between 1945 and 1957 was the percentage of the Canadian labour force which was unemployed higher than in 1960?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, in the absence of the Minister of Trade and Commerce, who is today on official business in Washington, may this question stand?

Mr. Speaker: Stand.

Motion stands.

Starred Questions

UNEMPLOYMENT INSURANCE PAYMENTS TO FISHERMEN

Question No. 71—**Mr. Carter:**

Since fishermen became eligible for unemployment insurance benefits, how much has been paid out each year to fishermen (a) in Newfoundland; (b) in the maritime provinces; (c) on the Pacific coast; (d) engaged in inland fisheries?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, in view of the detailed information contained in this answer may I ask that the answer be taken as read and incorporated in *Hansard* in tabulated form?

Mr. Speaker: Does the house agree that the answer be taken as read and incorporated in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

The amount of unemployment insurance benefit that has been paid in each fiscal year to fishermen is as follows:

	1957-58 $	1958-59 $	1959-60 $	1960-61 $ (April-Dec. only)
(a) Newfoundland	1,759,299.00	3,464,883.60	3,436,272.50	1,324,265.94
(b) Maritime provinces	2,138,492.00	4,174,734.00	4,583,592.00	1,337,510.00
(c) Pacific coast	856,606.00	1,619,505.00	1,957,398.00	563,450.00
(d) Engaged in inland fisheries	684,095.00	976,097.00	1,046,819.00	374,330.00

FREE PORT DEVELOPMENT, MORTIER BAY, NFLD.

Question No. 72—**Mr. Carter:**

1. Has the government at any time been made aware that a British company has shown interest in developing a free port or a transshipment port at Mortier Bay, Newfoundland?

2. Has the government received any representations from this company either directly from the parent company in Britain, its Canadian subsidiary or its agents?

3. If so, what has the government been requested to do, and what is being contemplated at the present time?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to both parts 1 and 2 is no; therefore part 3 is answered by the answer to parts 1 and 2.

RAILWAY EMPLOYEES' PROVIDENT FUND APPOINTMENTS

Question No. 73—**Mr. Creaghan:**

1. Has the governor in council appointed a secretary as provided for by section 10 of the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act?

2. If so, what is the name of the secretary, the date of his appointment and the salary paid to him out of the said fund?

3. Has the Minister of Transport appointed two chief officers from the Canadian National Railways, to serve along with the general manager as management members of the board of the said fund?

4. If so, what are their names, occupations and the date of their appointment?

5. Did the employees hold an election in 1960 to elect two members to the said board?

6. If so, what was the date of the said election and the names, addresses and occupations of the successful candidates?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to part 1 is yes.

The answer to part 2 is Mr. J. L. Seaman, appointed November 1, 1960, at a salary of $1,710 per annum.

As to parts 3 and 4, the answer to part 3 is yes, and the information requested in part 4 is the following: G. H. Betz, regional comptroller, December, 1959; G. A. Blakney, employee relations officer, June, 1957.

With regard to part 5, the answer is yes.

As to part 6 the answer is as follows: January, 1960, Mr. J. C. A. Landry, despatcher, C.N.R., Montreal, and Mr. John McGee, conductor, Moncton, N.B., elected by acclamation.

Starred Questions

RENOUS NAVAL DEPOT, N.B.—CHANGE-OVER FROM COAL TO OIL

Question No. 74—**Mr. McWilliam:**

1. Is a change-over from coal to oil contemplated, in whole or in part, at the Renous naval ammunition depot, Renous, New Brunswick?
2. If so, will there be a reduction in personnel and to what extent?

Hon. Pierre Sevigny (Associate Minister of National Defence): The answer to the first part of the question is yes; for reasons of economy a hand fired coal burner is being converted to an automatic oil fed unit in a building at the naval ammunition depot at Renous.

The answer to the second part is that this conversion will result in a reduction of four out of a total of 30 heating plant personnel at the depot.

UNEMPLOYED AS PERCENTAGE OF LABOUR FORCE, 1936-40

Question No. 75—**Mr. Knowles:**

What was the number of unemployed for each year, 1936 to 1940 inclusive, measured as an average percentage of the civilian labour force?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): For the reason I gave in reply to question No. 70, may this stand?

Mr. Speaker: Stand.

Question stands.

SECTION 96A(2), INDIAN ACT—PROCLAMATION

Question No. 76—**Mr. Howard:**

What is the present state of the investigation being conducted as a result of resolutions from the Indian bands of Kincolith, Canyon City, Gitlakdamix, Lakalzap, asking that section 96A (2) of the Indian Act be proclaimed to be in force?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): There has been no change in the status of the resolutions submitted by these Indian bands. The original resolutions, which were apparently initiated by the same person, did not contain sufficient information and had to be returned to the band councils concerned for redrafting. To date, corrected resolutions have been received from only one band, the Kincolith band, and that is receiving the attention of departmental officials.

UNEMPLOYED AS PERCENTAGE OF LABOUR FORCE

Question No. 77—**Mr. Pickersgill:**

What was the number of unemployed for each year, 1931 to 1935 inclusive, measured as an average percentage of the civilian labour force?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): For the reason I gave in reply to question 75, may this stand?

[Mr. Balcer.]

Mr. Speaker: Stand.

Question stands.

[*Later:*]

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, in view of the answers given to certain starred questions I would like to ask the parliamentary secretary to the Minister of Trade and Commerce whether the minister himself is now personally preparing the statistical answers on unemployment.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, the Minister of Trade and Commerce is not personally preparing answers. The minister is in Washington for one day, and before the answer is presented to the house it is my duty to present it to my minister.

FEDERAL PRINTING DONE OUTSIDE CANADA

Question No. 78—**Mr. Pickersgill:**

1. Is any printing done for the government outside Canada?
2. If so, what, in each case, is the nature of the printing and the reason for having it done outside the country?

Hon. Noel Dorion (Secretary of State): The answer to the second part of the question has been received only recently; it will not be ready until tomorrow afternoon. I would ask that the question stand.

Mr. Speaker: Stand.

Question stands.

CANADIAN OLYMPIC ASSOCIATION—SURVEY GRANT

Question No. 79—**Mr. Smith (Calgary South):**

1. Were there any specific conditions attached to the proposed grant awarded to the Canadian Olympic association?
2. Has the government been informed of the scope of the intended survey? If so, what are the factors that will receive consideration?
3. What individual, or company, is undertaking the survey?
4. Where are their offices located, and what are their qualifications?
5. When is the report of the study likely to be made available?

Hon. J. W. Monteith (Minister of National Health and Welfare): The answer to the first part of the question is, it was stipulated that the sum of $10,000 represented the total liability of the crown with respect to the proposed investigation of possible sites in Canada for the 1968 winter Olympic games, if the cost of the investigation were to exceed that amount.

The answer to part 2 is, included in the survey will be the consideration of such

factors as topography, climate, snow conditions, access and accommodation. The comparative values of possible sites for general recreational activities following completion of the games will also be considered.

The answer to part 3 is that the survey has been undertaken by the Foundation of Canada Engineering Corporation Limited, under the direction of its president, Mr. Per Hall.

The answer to part 4 is that the corporation's Montreal office is in charge of survey arrangements. I understand that its Calgary and Vancouver offices are also involved in the preliminary stages. This firm has carried out engineering studies of various kinds in the past, and its president has had considerable personal experience in the planning of facilities for winter sports.

Finally, the Canadian Olympic association advises that it hopes to have a complete survey report by the end of March or early April.

[*Later:*]

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): Mr. Speaker, perhaps I might be permitted to direct a question to the Minister of National Health and Welfare arising out of his report to the house today. Would the minister consider requesting the Canadian Olympic association to ask the survey company to report on the estimated cost of bringing the alternative sites to Olympic standards, and also on the density of the population in the areas being considered?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, the government saw fit to give a grant to the Canadian Olympic association in an endeavour to assist them in arriving at the most suitable site in Canada in order to suggest to the international Olympic committee where the Olympic games might be held in 1968. I do not think we can go beyond that.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ST. LAWRENCE SEAWAY AUTHORITY—SETTLEMENT OF CONTRACTORS' CLAIMS

Question No. 66—**Mr. Argue:**

1. Have any contractors' claims against the St. Lawrence seaway authority been settled since February 1, 1958?
2. If so, what is the number, the estimated value, and the amount paid on each contract, the date of completion and the date of settlement, and the contractor's name?

ST. LAWRENCE SEAWAY AUTHORITY—OUTSTANDING CONTRACTORS' CLAIMS

Question No. 77—**Mr. Argue:**

1. Have any contractors outstanding claims against the St. Lawrence seaway authority?
2. If so, what are their names, the number of the contract, the estimated value of each, amount paid, if any, and amount claimed, the date of completion of each contract?

WORK ORDERS, SESSIONAL PAPER NO. 170 A

Question No. 80—**Mr. Argue:**

1. What was the (a) estimated value; (b) actual cost, of each work order as itemized in sessional paper No. 170 A, dated January 14, 1960?
2. Were any of these work orders cost plus, and if so, which ones?
3. What is the actual amount of money outstanding on each work order as of January 1, 1961?
4. Were all these work orders included in the value of the main contract price?
5. If not, (a) which ones were so included; (b) which ones were extra work at extra payment?

MOTIONS FOR PAPERS

FEED MILL PURCHASES OUTSIDE QUOTA SYSTEM

Motion No. 36—**Mr. Argue:**

For a copy of all correspondence, telegrams, submissions, and other documents, exchanged between farm organizations and the federal government since January 1, 1960, in regard to feed mills being allowed to purchase grain outside the quota system.

Hon. Alvin Hamilton (Minister of Agriculture): This motion is acceptable.

Motion agreed to.

NORTHERN AFFAIRS

NORTHWEST TERRITORIES—DECISION OF COUNCIL RESPECTING DOCTORS AND DENTISTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether his attention has been called to the decision of the Northwest Territories council, as reported in the press, that it cannot afford the program aimed at recruiting badly needed doctors and dentists for the northland. If so, has he any comment to make on this decision?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not seen the item in question, and I would not want to make any comment on the activities of a council with the responsibilities that this council has. However, I will have the question looked into and after communication with the council, if it is appropriate to do so, I will bring their answer to the attention of the house.

Inquiries of the Ministry

TRADE

RED CHINA—INQUIRY AS TO NEGOTIATIONS FOR SALE OF WHEAT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister inform the house whether negotiations are going on with China for the sale of up to 32 million bushels of wheat? If so, what progress has been made in those negotiations?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, all I can say at this time is that negotiations are in progress, and if any sales result an announcement will be made in due course.

Mr. Argue: I should like to ask a supplementary question. Can the minister inform the house whether the cut of 1½ cents per bushel in the price of wheat at Vancouver had to do with these negotiations or was a cut made in the normal course of selling by the wheat board?

Mr. Hamilton (Qu'Appelle): Periodically adjustments have to be made at the various ports to bring prices into line. I think this was a case in point.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I should like to ask the Minister of Agriculture a supplementary question. Has the minister inquired and can he inform the house whether the substantial sales made to China by Australia in recent weeks have been on a cash basis or under a credit arrangement between the two countries?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I cannot speak with final authority in answer to that question, but I assume that as in the case of Canada, they were on a cash basis.

RUSSIA—STATEMENT ON WHEAT DELIVERIES UNDER AGREEMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, yesterday the hon. member for Kenora-Rainy River asked me the following question:

May I ask the Prime Minister what has been the amount of deliveries to date under the 400,000 ton agreement made in 1959.

I assume that the hon. member has reference to deliveries in the final year of the three year Canada-U.S.S.R. trade agreement concluded in 1956, under which the government of the U.S.S.R. undertook to purchase 400,000 tons of Canadian wheat annually. The answer to his question is 200,000 tons. These deliveries were made during the calendar year 1959.

(Translation):

PUBLICATIONS

ADDITIONAL OFFICES FOR SALE OF PRINTING BUREAU ISSUES

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to put a question to the Secretary of State. Could he inform the house whether the printing bureau intends setting up stores for the sale of federal publications in Montreal and in other large Canadian cities?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I thank the hon. member for Joliette-L'Assomption-Montcalm for sending me notice of his question. Here is my answer:

Since the bookstore on Mackenzie street in Ottawa turned out to be a great success, the Queen's printer has decided to open other stores for the sale of federal publications. Arrangements were made for the rental of premises for that purpose in the city of Montreal and negotiations are about to come off. I must point out that in selling those publications, the stores will avoid entering into unfair or inadequate competition with other bookshops.

As for recruiting personnel for the Montreal store, the civil service commission will arrange a competition in due time in order to select three persons suitable for that type of work.

When the Montreal store is in operation, it will no doubt be advisable to set up others elsewhere, beginning with Toronto.

(Text):

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I could ask the Secretary of State a supplementary question. Has the Secretary of State any fear that this step will be an interference with provincial autonomy?

Mr. Dorion: I do not believe that question merits an answer.

COMBINES

BRITISH COLUMBIA—REPORTED USE OF EGGS AS LOSS LEADER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Acting Minister of Justice. In view of the fact

that the use of eggs as loss leaders in Nelson and Trail is having a ruinous effect on the poultry industry, forcing some long established poultrymen out of business and also doing a great deal of damage to small retail business in the area, would the minister give consideration to recommending an investigation into these nefarious business activities in this area by the director of investigation and research under the Combines Investigation Act?

Hon. J. W. Browne (Acting Minister of Justice): I will take the question as notice and give an answer tomorrow.

AGRICULTURE

PULPWOOD—INQUIRY AS TO SUPPORT PRICES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to address a question to the Minister of Agriculture arising out of reports of speeches he has made to farm groups across the country. Has the minister reopened consideration of the policy matter arising out of farmers' and settlers' pulpwood marketing problems and the possibility of support prices for farm pulpwood?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, in discussions with farm organizations in areas concerned with such matters as pulpwood this question has been considered.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO INCLUSION OF FARM LABOURERS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort): Mr. Speaker, I should like to ask the Minister of Labour a question arising out of the necessity of bringing the Canadian farm labourer under the Unemployment Insurance Act. Has the minister given serious consideration to this matter? If so, when can we expect this to be done?

Mr. Speaker: Order. If the minister is prepared to declare government policy in answer to the question I will not prevent him from doing so. However, the question is one relating to the announcement of government policy, which is not ordinarily asked for on the orders of the day.

Mr. Argue: We should like to hear the answer.

[*Later:*]

Mr. Rapp: Mr. Speaker, I would like to direct a question to the Minister of Labour. Has the minister received any report from the committee that was set up to investigate whether farm labourers are eligible for unemployment insurance?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, we have asked the unemployment insurance commission to give careful study to the possibility of bringing farm labourers under the act as an insured class. The unemployment insurance commission has been giving careful study to this problem, but because of the many difficulties involved in this inclusion they have not as yet reported to me or the government.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, could I ask the minister a supplementary question. Can the minister say whether consideration is being given to the voluntary inclusion, as opposed to the compulsory inclusion, of this class?

Mr. Starr: Both aspects are being considered.

(Translation):

BUSINESS OF THE HOUSE

CONSIDERATION IN COMMITTEE OF LEGISLATION CONCERNING CANADIAN SHIPYARDS

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I would like to ask the Minister of Transport (Mr. Balcer) a question. Can the minister tell me whether, at such time as he introduces the bill regarding Canadian shipyards, he intends to submit this legislation to a committee of the house so that all concerned may air their views on the matter?

At the same time, Mr. Speaker, I would like to ask the minister whether the government proposes to introduce this legislation before the Easter recess.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, no decision has yet been reached with regard to referring the resolution to a committee of the house. As to the second part of the question, I trust that the bill aiming to help the shipbuilding industry in this country can be introduced in this house in the nearest possible future.

(Text):

TELEVISION

REPORTED DELAY IN ACTION ON BROADCAST BOARD DECISIONS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to address to the Minister of Transport a question of which I have given him notice. Can he indicate what are the reasons for the delay in taking action in connection with three decisions of the board

of broadcast governors with respect to television applications respecting Sioux Lookout, Ontario, Saddle Mountain, British Columbia and Mount Sentinel, British Columbia, which admittedly involve the pick up of United States stations, inasmuch as these localities cannot pick up existing stations in Canada?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am afraid the only delay is that of my hon. friend in asking the question. I am able to advise the hon. member that yesterday the governor in council approved these applications for Sioux Lookout and the other two places mentioned, and that these broadcasting stations are in a position to operate at the present time.

Mr. Benidickson: May I make just a short explanation. I want to indicate that the decision was made by the board of broadcast governors on December 8. As the minister knows, I have made a number of inquiries. Otherwise I would not have asked the question. I did not know that the applications had been approved yesterday.

FISHERIES

B.C. SALMON—PROPOSED CONFERENCE TO RESTORE RUNS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to ask the Minister of Fisheries whether he has received and, if so, has accepted a reported invitation from the governor of Alaska to attend a proposed conference on February 15 to 17 to work out a program for restoring the depleted west coast salmon run.

Hon. J. A. MacLean (Minister of Fisheries): I want to thank the hon. member for Vancouver East for giving me notice of his intention to ask this question. A letter has been received from Governor Egan of Alaska proposing a conference of fishery biologists in the middle of February. The purpose of the proposed meeting is not too clear, and I am taking steps to get further details on the proposal.

GRAIN

FEED MILL AGREEMENTS WITH WHEAT BOARD

On the orders of the day:

Mr. E. Nasserden (Rosthern): I should like to address a question to the Minister of Agriculture or his parliamentary secretary. Can he tell us how many feed mills in western Canada in the wheat board area have now completed agreements with the Canadian wheat board in order to take deliveries over the quota?

[Mr. Benidickson.]

Mr. Speaker: If the hon. member has not given notice of his question, the minister may not be in a position to answer.

Mr. Nasserden: They have had notice.

Mr. Speaker: Perhaps the minister has the information.

Hon. Alvin Hamilton (Minister of Agriculture): I was hoping that my parliamentary secretary would handle this matter.

Mr. Speaker, as of today 167 feed mills have signed agreements with the Canadian wheat board. Board records show that there are an additional 49 feed mills which have operated at one time or another. It is known that some of these feed mills are no longer in operation, and others are confining their operations to selling prepared feeds which they do not manufacture. Canadian wheat board inspectors are checking with all feed mills within their territories in order to ascertain the operating feed mills which have not signed agreements with the board. Operating feed mills which do not sign agreements with the board are, of course, subject to delivery quota regulations.

Mr. Nasserden: I have a supplementary question. Will this trade be confined within provincial boundaries, and will the mills entering into these agreements be obliged to submit statements showing the deliveries or sales of grain and grain products?

Mr. Hamilton (Qu'Appelle): Under the wheat board directive the feed mills will be obliged to show their books to the wheat board inspectors twice a year. Under the agreement their operations are confined to within provincial boundaries with, I believe, one exception, namely the town of Lloydminster, on the boundary between Alberta and Saskatchewan.

Mr. Hazen Argue (Assiniboia): I have a supplementary question. Has it been brought to the minister's attention that these feed mills are buying grain under this new policy at 40 cents to 50 cents a bushel below the board's final selling price for wheat?

Mr. Speakman: Utter nonsense.

Mr. Hamilton (Qu'Appelle): As usual, the hon. member for Assiniboia tries to disseminate information which is not backed up by proven facts. We are trying to collect information from these various feed mills as to the prices paid. There are advertisements in the papers by farmers offering grain for sale much below prices paid by the wheat board, but until we get all the facts on this situation there will be no such statement, which I think is wrong, as that given by the hon. member for Assiniboia.

I should like to point out to the house that the governments of the three prairie provinces, including the government of Saskatchewan, have come out in support of the policy that we have taken on for a year's trial, and that the farm organizations also are writing me and giving assurance that they are behind us in what we are trying to do.

Mr. Argue: I should like to ask the minister whether it has been brought to his attention that a delegate body of the federated co-operatives has come out as being emphatically opposed to the government policy changing the former policy of their management.

Mr. Speaker: Order. The question and answers both appear to be descending, shall I say, from the level of the factual to that of the argumentative, and I think I should not allow that second supplementary question.

Mr. E. W. Brunsden (Medicine Hat): I should like to ask the minister whether he has received from bona fide grain producers in western Canada one complaint with respect to this policy?

Mr. Speaker: Order. The hon. member, equally with the hon. member for Assiniboia seems to be more interested in giving information than in obtaining it.

(Translation):

INQUIRY AS TO DIFFERENCE IN GRAIN PRICES PAID BY EASTERN FARMERS AND WESTERN MILLS

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Is the minister aware of the fact that prices paid by eastern farmers for grain are higher than those paid by western mills, and that, therefore, there is some discrimination detrimental to our eastern farmers?

(Text):

Mr. Speaker: Order. I think the question of the hon. member for Drummond-Arthabaska is really an argumentative one. He has put forth a point of view under the guise of asking whether the minister is aware of something. It seems to me that is not in accordance with the proper practice on orders of the day.

HOUSING

INQUIRY AS TO AMOUNT OF HOME IMPROVEMENT LOANS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, may I direct a question to the Minister of Labour. Under the authority of the minister, newspaper advertisements are appearing across the country urging Canadians to apply to Canadian banks now for loans for home improvements. I wonder whether the minister would care to comment on the response he has had to date in connection with this campaign. Also, can the minister assure the house that the banks are co-operating fully in this regard?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the co-operation of the banks rests within the jurisdiction of the Minister of Finance. Our effort in this field is to promote and bring to the attention of the people of this country that they have the facilities of the banks available to obtain home improvements loans. By doing this we hope to bring about an activity in this field that will help to give employment to Canadians during this winter. It is difficult to ascertain or to get some idea as to the number of jobs that will be created. Our role in this matter is to promote this type of activity.

Mr. Garland: I have a supplementary question, Mr. Speaker. I wonder, in view of the absence of the Minister of Finance and in view of what the Minister of Labour has said, whether the parliamentary secretary to the Minister of Finance would care to comment on the degree of co-operation the banks are giving in this regard.

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I do not think there is anything to be usefully added to what the Minister of Labour has said.

PUBLIC BUILDINGS

OTTAWA—CONSTRUCTION OF AGRICULTURE DEPARTMENT HEADQUARTERS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, may I direct a question to the Minister of Agriculture arising out of the very interesting statement attributed to him, that the minister was not convinced that the 12-storey Department of Agriculture headquarters on the dominion experimental farm, built of glass, steel and aluminum, would have adequate air conditioning.

My question is this. Is the government going forward with the construction of this large building, since it has been the policy of the government, in the past at any rate, to reserve the experimental farm for its original purposes and not use any part of it for buildings of this type?

Inquiries of the Ministry

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I hate to once again remind the hon. member that he has a reputation for inaccuracy—

Mr. Argue: Answer the question.

Mr. Hamilton: —because the experimental farm has been used for purposes other than agriculture in the past.

This is what my position has been. First of all, with regard to any building I will authorize to be built for my department, I will consider the comfort of the people who will be working in such a building. That is No. 1. Second, I will consider the location of the building and whether it has been brought into conformity with the plans of the national capital commission. I will also consider the convenience and efficiency of the department in relation to other buildings housing government departments.

So the answer to the hon. member's question is that as soon as these various components of the problem can be brought down to the point of final decision, an announcement will be made.

PARLIAMENT BUILDINGS

CENTRE BLOCK—RENOVATION OF MEN'S WASHROOMS

On the orders of the day:

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, I have a question for the Minister of Public Works. While we all appreciate his zeal and enthusiasm for the winter works program, may I ask him if it was absolutely necessary to have all the men's public washrooms in the centre block painted and varnished on the same day?

Mr. Argue: Especially a cold day.

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I heard that the hon. member was running to and fro yesterday. I had not appreciated the cause until this moment. I now appreciate, however, that the plumbers and decorators were more anxious to maintain the decor of the parliament buildings than to consider the comfort of the members of parliament. I can assure the hon. member that this incident will not occur again.

(Translation):

CANADIAN INDUSTRY

INQUIRY AS TO STATEMENT BY THE ASSOCIATE MINISTER OF NATIONAL DEFENCE

On the orders of the day:

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I should like to put a question to the Associate Minister of National Defence (Mr. Sevigny) arising from a statement he made yesterday in this house, to the effect that industries in various provinces of this country are setting aside their expansion plans because they are worried about the future. Could the minister give the names of those industries and could he tell the house what the government intends to do to prevent industries from setting aside their expansion plans?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in answer to the question of the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) I should say that the first definite information I got on that matter was given to me in private conversations and I respect the confidential nature of that information.

With your permission however, I would suggest, in answer to the hon. member, that he look around his own constituency and he will find that what I said yesterday is true.

Mr. Dupuis: Mr. Speaker, may I complete my question and ask the Associate Minister of National Defence if he has done anything to prevent this flight of industries?

Mr. Sevigny: Mr. Speaker, in answer to the hon. member for St. Jean-Iberville-Napierville, I would suggest that he read in this regard the measures announced in the speech from the throne and that he study the supplementary budget; he will find that this government has done a lot through the budget to improve economic conditions in this country, a lot more than what could be achieved through the resolutions passed at the recent convention of the Liberal party.

Mr. Dupuis: Mr. Speaker, a supplementary question. In this budget mentioned by the minister, is there anything else than deficits?

Some hon. Members: Order.

(Text):

Mr. Speaker: That information is open to all hon. members of the house.

ADMINISTRATION OF JUSTICE

IMPOSITION OF DEATH PENALTY ON 14-YEAR OLD BOY

On the orders of the day:

Mr. R. C. Coates (Cumberland): I wish to direct a question to the Prime Minister. Is the Prime Minister in a position to indicate what action is to be taken regarding the death penalty recently imposed on a 14-year old youth?

Mr. Speaker: Order. Is the hon. member's question directed toward the exercise of the prerogative of mercy?

Mr. Coates: Yes, Mr. Speaker.

Mr. Speaker: I think it is not in accordance with the practice of the house to accept questions directed to the government on that subject on the orders of the day or, indeed, at any time before the exercise of the prerogative.

AGRICULTURE

PROVISION FOR AGREEMENTS RESPECTING MARGINAL LANDS, RURAL EMPLOYMENT OPPORTUNITIES, ETC.

Hon. Alvin Hamilton (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize the Minister of Agriculture to enter into agreements with provincial governments or agencies thereof for the undertaking jointly with those governments or agencies of projects for the alternative uses of lands that are marginal or of low productivity, projects for the development of income and employment opportunities in rural agricultural areas, and projects for the development and conservation of the soil and water resources of Canada; for the payment to the provinces of contributions in respect of the cost of such projects undertaken by a province or agency thereof; to authorize the Minister of Agriculture to undertake programs of research and investigation in respect of these matters; to provide for the establishment of advisory committees and the appointment of their members, and to provide for other related and incidental matters.

Motion agreed to and the house went into committee, Mr. Flynn in the chair.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, in moving the adoption of this resolution I do so with the full realization that it will constitute a major step forward in fulfilling our national agricultural program presented to the house on August 30, 1958, by the Prime Minister. At that time the Prime Minister stated that there was a need for a sound, comprehensive and co-ordinated program to attack specific problems and meet specific needs. He outlined a seven point program and I would like to put on record today what he said on the fifth point, which can be found on page 4347 of *Hansard* for August 30, 1958:

Fifth, as a means of meeting the small farm problem the government has under consideration ways and means of improving the level of living for farmers on small farms by means of better land use, encouraging the formation of economic family farm units, improving technical training, extending unemployment insurance benefits to certain classes of farm workers, and by extending the vocational and technical training agreement for the benefit of those who wish to enter new occupations.

This resolution before us today has as its main purpose the improvement of the economic position of those farmers whose land is presently classified as marginal or submarginal. However, it is not only the intention to lift up the economic status of the great number of farmers who live on these uneconomic units; the measure will also have the effect of simultaneously improving the position of farmers possessing more economic units.

Generally speaking, the objective of the national agricultural program is to give agriculture a reasonably fair share of the national income. We believe that this parity of income should not be attained by charity but by providing opportunities for the farmers to help themselves. The Prime Minister stated on August 30, 1958—and I am quoting his words—that our concept of a national policy is based on the belief that the national welfare demands positive action to meet the basic causes of distress and maladjustment in particular industries and regions.

Mr. Martin (Essex East): Where did he say that? On what page?

Mr. Hamilton (Qu'Appelle): The quotation will be found on page 4345 of *Hansard*, and the speech extends to page 4348. I just wish to read that last line again:

Our concept of a national policy is based on the belief that the national welfare demands positive action to meet the basic causes of distress and maladjustment in particular industries and regions.

To point up the problem referred to by the Prime Minister I should like to place some figures before the house which outline the position in stark and dramatic terms. According to the economic classification of farms in the 1956 census, 21 per cent of Canadian farms produced less than $1,200 worth of produce annually. At that time, out of a total of 575,015 farms, there were 120,242 which fell into this category. I think the picture by provinces will be of interest to hon. members. I will name the provinces, then give the percentage of farms which produce less than $1,200 a year.

Province	Per cent of farms with annual production under $1,200
Newfoundland	78 per cent
Prince Edward Island	26 " "
Nova Scotia	61 " "
New Brunswick	59 " "
Quebec	28 " "
Ontario	19 " "
Manitoba	11 " "
Saskatchewan	4 " "
Alberta	9 " "
British Columbia	46 " "

The figure for Canada as a whole is 21 per cent. In the report of the royal commission

on agriculture and rural life in Saskatchewan, hon. members will find farm income figures given on page 31 of volume 13, 1957, the year this report was published. Hon. members will find tables there which point out that the figures for 1950, as opposed to the figures for 1956, which I have just given, show that 26 per cent of the farmers in Saskatchewan produced less than $1,200 per year. Using the same figures for Canada as a whole—using again the figures for 1950—the percentage figure was 38 per cent. Thirty eight per cent of the farmers of Canada had a gross cash income in 1950 of less than $1,200.

These figures which I have just quoted from 1950 do seem to be much worse than the figures quoted for 1956 in the report of the dominion bureau of statistics. The difference arises from the fact that they used different criteria. In 1956 the criteria used by the dominion bureau of statistics was the estimated annual production which, of course, would include the value of the goods produced on the farm. The 1950 figures, on the contrary, are based on the value of the goods sold, or in other words the gross cash income of the farms. The difference between 38 per cent in 1950 and 21 per cent in the 1956 figure produced by the dominion bureau of statistics is explained by the difference in criteria.

Recently a report was published under date of September 1, 1960 by the conservation council of Ontario. The report was to the government of that province. I should like to read to the committee one paragraph which I find in that report. At page 34 we find these words:

> It has been reported in an earlier section of this report that we have in Ontario 33 million acres of land south of the pre-Cambrian shield. About 20 million acres of this is being farmed but only 12 million acres can be considered good land. We have, then, a large acreage outside the 12 million acres which could be used for non-agricultural purposes without damaging significantly our ability to produce good and cheap food in the future.

I have read that section of the report to the committee because it leads up to their recommendation that this marginal land should be vacated where economic farming is impossible. I should like to emphasize that here in the banner province of Ontario, one of the great agricultural provinces of Canada, 40 per cent or 8 million acres of the land presently used for agriculture could be wisely turned to alternative uses.

The situation indicated by the figures I have given is not new in Canada. It goes back many years. Last session the special committee of the other place on land use in Canada studied the question of marginal and submarginal land use. Their recommendations, found at page 248 of the second report, are well worth reading. I should like to place these on the record for the information of those who study this debate:

> Whereas there is a need of elimination of problem areas in Canada where farm businesses are small, productivity low, and incomes inadequate for family requirements: The committee recommends,
>
> (1) (a) That further research be undertaken to define more clearly the nature of the problem in low income areas and to pinpoint their location.
>
> (b) That a federal-provincial rural development program be instituted to deal with areas of greatest need.
>
> (2) That in implementing such a program the provincial governments participate on a co-operative basis; such co-operation to include the principle that both provincial and local authorities assume major responsibility for the identification of problems and needs of local areas and the initiation, planning and development of appropriate action programs.
>
> (3) That the federal and provincial governments co-operate in assisting any such program with financial and technical assistance, said financial assistance to be provided through a cost-sharing agreement.
>
> (4) That the federal and provincial governments provide for a larger farm-management service and expansion of educational facilities with particular emphasis on leadership to ensure a prompt dissemination of the research results to those farmers who will be most benefited therefrom.
>
> (5) That there should be some form of co-ordination of federal departments of agriculture; northern affairs and national resources; health and welfare; labour; trade and commerce; fisheries; forestry; and citizenship and immigration with regard to activities under a rural development program.

Mr. Martin (Essex East): What about the sixth recommendation?

Mr. Hamilton (Qu'Appelle): In reply to the interjection of the hon. member for Essex East, in which he asked about the sixth recommendation, I should like to present this to the committee as an example of the profound interest taken by the hon. member in agriculture. There was a sixth recommendation, and this is what it says in the first sentence:

> (6) That the special committee of the Senate on land use be reconvened at next session of parliament—

Mr. Martin (Essex East): That is right. The hon. gentleman does not want it to reconvene. Would the hon. member permit a question? Is it not a fact that my hon. friend does not want the committee to reconvene at this present session of parliament?

Mr. Hamilton (Qu'Appelle): I am presenting here what I hope will be one of the major steps in a co-ordinated national program in agriculture. I had hoped that the committee would look at this in a non-partisan way.

Mr. Martin (Essex East): Just as the hon. member is doing now.

Mr. Hamilton (Qu'Appelle): For the hon. gentleman to suggest it is a fact that we do not want the special committee of the other place to deal with the question of land use in this session is so far from the truth that it is hardly worth mentioning. If the hon. member were to read on in the sixth recommendation he would find that the committee recommended that they reconvene this session to study such questions as water conservation, drainage, forestry, and so on. This is an extension of the valuable work the committee did last session. After having praised the committee as I believe I did by inference, having read their five major recommendations as the result of the work of last year, it is errant nonsense for anyone to suggest that I in particular do not want this committee to reconvene.

Mr. Martin (Essex East): We shall see.

Mr. Hamilton (Qu'Appelle): I think, Mr. Chairman, it can be deduced from the terms of the resolution under discussion that the recommendations of the other house have received due consideration.

This resolution authorizes the government to enter into agreements with the provincial governments or agencies thereof for the undertaking, jointly, of three types of operations: (1) projects for the alternative use of land that are presently classified as marginal or of low productivity; (2) projects for the development of income and employment opportunities for rural agricultural areas, and (3) projects for the development and conservation of the water and soil resources of Canada.

In each of these types of projects there should be careful research by either or both the federal and provincial governments. There must be co-operation not only between the senior governments but also between the senior governments and the local people. One of the key points will be the widest possible participation not only by farmers but by every group in our rural communities. In sum total, agricultural rehabilitation and development must be a co-operative enterprise of government, groups and individuals. I suggest that this should also include the churches.

Many hon. members over the years have asked for an extension of the P.F.R.A. to all parts of Canada. I think it can be said that the third type of operation envisaged in this resolution meets that request.

The sixth point of our national agricultural program deals with conservation. As the committee knows, plans are now being completed for the holding of a "resources for tomorrow" conference in the city of Montreal in October of this year.

It may well be asked at this time what is the relationship between this resolution and our general policies and plans on conservation. Actually there is a very close relationship. There was a meeting of the federal and provincial ministers, who make up the policy subcommittee of the national steering committee of this conference, in Ottawa last December 12 and 13. At that time I explained to the provincial ministers that everything envisaged in this bill would be in harmony with the proposed purposes of the "resources for tomorrow" conference. It is my judgment, Mr. Chairman, that the "resources for tomorrow" conference may expand the terms of reference that we have in mind in this bill, but I seriously doubt whether it in any way will suggest any diminution of its purposes.

Having said these things about the background and purposes of the bill, I should like to go on and outline in general terms how it would operate. Broadly, the intent would be to assess, with the provinces, the agricultural areas which are in need of rehabilitation and to determine the type of assistance which would be most appropriate to achieve this end. Certainly the development of alternative economic uses for marginal agricultural lands will have a large part in the total program. I need mention only two instances of this. One is the encouragement of farm woodlots, of tree farming, of county forests, of reversion into crown lands, and so on, as an example of the thing to be done mostly in eastern Canada. The second example I can give is the conversion of marginal cropping land in western Canada to grass by means of the technique that we know so well out there, namely the community pasture technique. These are only some of the examples of alternative economic uses for land. Others deal with urban expansion, recreation, and so on.

Steps of this nature serve three purposes. They provide for better utilization of marginal agricultural land; they provide new sources of income for people in the area, and to the extent that they remove lands from agricultural cropping they will help to reduce surpluses which constitute a serious problem for agriculture.

In addition to developing alternative land uses, the legislation also envisages the development of new income opportunities for people in rural areas. Local industry, recreation and technical training are among the

ways and means that will be considered. The development of this phase of the program envisages a large measure of local participation. It is proposed that the federal and provincial authorities would provide guidance to local groups in assessing their own circumstances and developing new sources of income. It is, of course, intended that all services and agencies of the departments of government in Canada which can contribute to this will be brought to bear in the total effort. It is also envisaged that the federal government, in co-operation with provincial governments, universities, educational institutions and individuals will carry out programs of research and investigation in the general field of rural development.

Finally, the legislation will authorize the Minister of Agriculture to enter into agreements with the provinces to carry out soil and water conservation projects for agricultural purposes. The importance of this, I think, is understood very well by all members who have farmers in their ridings.

I should like to make it clear that it is not the purpose of this legislation to reduce the number of farmers. Those who feel that the small farm problem can be resolved by arbitrarily uprooting people from their farms do not, in my view, understand the deep attachment of rural people to their home surroundings. This legislation is designed, rather, to help by various means to improve the income and standard of living of the small and more marginal family farms, and in that way help to improve the over-all position of agriculture.

In recent months I have discussed these broad proposals in very general terms with the provincial ministers of agriculture and the farm organizations, and have found them quite sympathetic to the principles which are involved. Pending the introduction of the bill in parliament I was not able to discuss the proposals in detail and I should like to suggest, Mr. Chairman, that following first reading of the bill, it be laid over so I will have an opportunity to go to the provinces and the farm organizations and discuss it with them in more detail, with the idea that since it is going to require co-operative action with the provinces, and should have the full support of farm organizations, they should be able to comment before we proceed to the final stage.

As I said earlier, the problems that this bill is designed to come to grips with have been known for a long time. I personally heard them discussed over 30 years ago. I well remember hearing one leading figure of the province from which I come make the statement that some day some government would have the courage to tackle the problems of the marginal farmer. I am very pleased that the agriculture ministers of the various provinces—all the provinces—and the leaders of the farm organizations have indicated their support of the principles of this bill. I know that every member from a farm riding will have knowledge of areas within his riding, or groups of people within his riding, which could be helped and benefited by the type of agreement that we envisage in this program. I hope that during the discussion of the bill those members will bring forward their various ideas on how this bill can be used in their particular ridings so that we may get the ideas at the administrative level on what should be done.

I like to think that at long last the full resources of mind and energy of the best agricultural brains in Canada at all levels will be brought to bear on the problems of the small farmer to help the small farmer help himself, not only at the local level but right down to the individual farmer. Under this bill, the full scope and influence of the Agricultural Stabilization Act, the Farm Credit Act and the Crop Insurance Act can be utilized. I feel that these four acts working together in unison can become a comprehensive co-ordinated attack on the basic weaknesses of the agricultural economy.

Most of the preliminary preparation of this legislation, as is well known, has been under the capable guidance of my predecessor who is now the Minister of National Defence. My task will be the working out of the agreements with the provinces and providing the co-ordination among the various departments at Ottawa to help make this program a success. I want to be able to say that no longer is agriculture looking at its problems in a vacuum, but is now turning its eyes to the broader horizons of opportunity that exist for the use of the land, the water and air which are the natural assets of the farmer. I realize that I am not expressing new ideas, but I do feel very humble that the opportunity has fallen to me to put them into legislative form and at long last get at the task of helping the small farmer to his feet. Their problems have been a blemish on the record of our society for decades, and every member of the house, I hope, will share the satisfaction of making a contribution to such a forward step in the field of agricultural development.

Mr. Argue: Mr. Chairman, before the minister resumes his seat I wonder whether I might ask him a question which I think has a great deal to do with the application of this measure and the discussion that will take place subsequently. Can the minister

give the committee some idea of the apportionment of cost as between the federal government and other authorities? Is the federal government planning to bear the bulk of the cost of this program, as has been done in connection with P.F.R.A., or is there to be a 20 per cent provision or something of that nature along the lines of crop insurance? Proportionately speaking, how much of the cost of this whole scheme is the federal government prepared to bear?

Mr. Hamilton (Qu'Appelle): Mr. Chairman, in my discussions with the agriculture ministers from the various provinces this point was raised. I think the best way I can answer the question is to say that as ministers of agriculture we recognize that not only will there be different types of agreements with the various provinces in view of their different problems, but there will also be several types of agreements within each province to meet certain conditions. We also recognize as ministers that under each of these various types of agreements, varying proportions will be paid by the governments. We also recognize that some parts of this legislation will not cost either of the two senior governments a great deal except for advice and the energy to carry that advice to the local group.

The answer I will give is that with respect to some types of agreements I would suggest that the sharing will be on a 50-50 basis, whereas in other types of agreements it may be that the federal government will pay the larger share or contribute the whole cost and work out some self-liquidating device to meet that advance. In other types of agreements it may be that the provinces will bear the total cost or a great deal of the cost because the matter comes within their responsibility. In that event we will co-operate in any way that will help their activities.

In discussing the matter with me the provincial ministers expressed, as I say, great sympathy with the principles involved. Two ministers did raise the question that when it came down to agreements with their provinces they would want to see what the price tag was going to be. I think I have said enough to indicate that with regards to certain types of projects, having in mind the physical ones now, there will be a sharing based on the precedents of the past. With regard to other types involving new agreements, I certainly will have no way of knowing what the basis of sharing will be until we sit down and work out what we want to do and how best to achieve it.

Mr. Martin (Essex East): Mr. Chairman, this is my first opportunity to congratulate the minister on his transfer from the department over which he presided before he came to the Department of Agriculture. I assure him that he will have all the co-operation he will merit. He may be sure that the proposals he makes to the house will be carefully scrutinized, as in the national interest they must be. But subject to these contingencies we extend to the minister our very warmest wishes with respect to the assignment that has been given him in the assumption of these new and heavy responsibilities.

There can, of course, be no criticism of the object of the resolution. However, while the resolution is far-reaching it is couched in very high sounding and vague language. It certainly is not specific, as the reply to the question asked a few moments ago indicated. If we had received from the minister a more detailed explanation of what the resolution seeks to do it would not warrant the criticism which I have thus far made of it. Certainly the minister sought to establish the idea that the philosophy behind this resolution is either one which he himself has conceived or which the government has established. Little reference was made to the work of the committee in the other place. No attention whatsoever was paid to the fact that the very important work launched by the committee of the other place was undertaken as the result of action by the government of Right Hon. Louis St. Laurent and in particular by that right hon. gentleman.

In the statement he has made the Minister of Agriculture also ignores the fact that there are other agencies, both provincial and federal, that have worked on this problem for some time. He has mentioned in passing the work under the P.F.R.A., an organization which has done a wonderful job, and undoubtedly if its scope were extended to take in the whole of the country it could accomplish many of the important activities outlined in the general words of the resolution.

The minister referred to the committee of the other place known as the conservation and land use committee, which made an extremely important and valuable start in compiling information as to actual conditions obtaining in the provinces with a view to recommendations on specific projects that might be undertaken. The minister has mentioned, of course, and quite properly and necessarily so, the co-operation with the provinces that is indispensable in a matter of this sort. However, that co-operation might easily be used by either level of government as an excuse for no action at all. We know of other instances in the history of this government, when projects have depended

upon provincial co-operation, and the government has been able to hide behind the inaction of particular provinces to excuse its own inaction.

If the minister had been more specific in the reply he made to the hon. member for Assiniboia with regard to executive responsibility, with regard to the matter of financial responsibility and the distribution thereof, he would have given us some basis to determine when we may expect action from the government with regard to the long term aspects of this problem. The resolution before us, of course, is not designed to meet the current situation, according to my understanding of what the minister has said. It is long term in its implications. Indeed, if it were intended to have immediate effect we would have expected the minister to give assurances that no action would be taken by the government that would add to the great severity which prevails in the country at the present time in the matter of unemployment.

Since the beginning of the session we have been trying to persuade this administration to take effective steps to deal with certain emergency situations, including unemployment and the most serious problems that the industrial sector of the economy is facing. As most of us know, it is suffering from both short term and long term difficulties, which are reflected in the amount of unemployment and which are certainly not going to be overcome by the timid and confused programs presented by the government since the beginning of the session.

The agricultural sector of the Canadian economy also suffers from both short term and long term problems. The current crisis of Canadian agriculture is illustrated not so much by mounting unemployment, as in the industrial sector, but by declining farm income. I would hope that it was not the intention of the government, before the labours of the committee of the other place were completed, to introduce this measure for the purpose of conveying to the farmers of our country that their present plight was going to be dealt with effectively by this kind of measure. I would hope that the minister would not seek to use this device as a means of diverting our attention from the very serious plight that at this very time confronts the farmers of our country. We cannot forget that if we take this position we are encouraged to do so by the very propaganda of the government. We will not forget their recent statement in one of the résumés of their great achievements when they said this:

> Recognition on a scale unsurpassed in Canadian history has been given to the difficult problems of our farm communities. Realistic price supports have been introduced for the first time in our history. Federal aid to Canadian farmers has more than doubled.

This Conservative propaganda is designed as usual to distort the facts and to mislead.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): The real test of any farm policy is not the amount of relief received by the farmers; it is to be found in the rate of increase in farm income. This is the only real test of success. When we apply that test, the failure of this government's farm policy appears in its true perspective.

During the last ten full years of the previous administration—that is between 1947 and 1956 inclusive—farm net income was on the average $1,459 million. In 1958, the first full year of the present government's administration, farm net income reached $1,417 million, or $42 million less than the ten-year average under the former Liberal administration. In 1959 farm net income was only $1,260 million, a figure which represents a drop of about 12 per cent in comparison with that of 1958.

I have not the figures of a farm net income for 1960, but the national accounts provide information on accrued net income of farm operators from farm production. Accrued net income gives some indication of farm net income. The estimate for the first nine months of 1960 showed a further decline of 2.9 per cent as compared with the same period in 1959. These are the most reliable figures available at the moment and they show, first, that in the three full years of Conservative administration farm net income has been consistently lower than the ten-year average under the previous administration. Second, since the first full year of Conservative administration farm income has been declining steadily and the drop may reach as much as 15 per cent.

Those facts give a picture which is far different from the picture given to us by the government. We remember the promises made by the government. Those promises are not going to be fulfilled by the legislation based on this resolution. We remember the promise made to eliminate the cost-price squeeze.

Mr. Hamilton (Qu'Appelle): Will the hon. member permit a question?

Mr. Martin (Essex East): Yes.

Mr. Hamilton (Qu'Appelle): The hon. member has made a statement and I should like to ask this question, Mr. Chairman. Can he name one promise we made with regard to agriculture that has not been fulfilled or is not on the way toward being fulfilled?

Mr. Martin (Essex East): That is exactly what I am doing now. I said the cost-price squeeze promise has not been fulfilled. Hon. members opposite were going to eliminate the cost-price squeeze. Each farmer was going to know one year in advance the price he would get for his products.

Mr. Speakman: He does know.

Mr. Martin (Essex East): He does not. We were told that surpluses would be disposed of and that a fair share of the national income would be guaranteed to agriculture. Not one of these promises has been fulfilled after nearly four years of office of the present administration.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): That is why the farmers of Canada are losing confidence in this government. I want to emphasize the fact that the measure introduced by the present resolution will not do anything to solve any of these problems. In its approach to these problems, as well as in its approach to the problem of unemployment, the government is failing completely to meet its immediate and important responsibilities. It asserts that it is trying to solve the problems of tomorrow but it ignores the urgency of today. The farmers and the industrial unemployed are suffering today. The rosy picture of things to come presented by the government is not going to reduce the present misery in any way. The government has failed completely to see the fundamental changes that have occurred in recent years in Canadian agriculture. Our agriculture is not an homogeneous industry where each unit faces the same problems. Basically agriculture today must be regarded to consist of two main sectors.

Mr. Smallwood: Will the hon. member permit a question?

Mr. Martin (Essex East): When I am finished.

Mr. Smallwood: Right now.

Mr. Martin (Essex East): No. The first one includes the actual or potential commercial farmers having a farm of economic size, with good arable land. This sector of Canadian agriculture does not need or want government relief. It needs primarily adequate market outlets, good credit facilities, a continuous flow of information from technical and economic research, efficient processing, distribution and marketing services and adequate protection against abnormal fluctuations in costs and prices. The main requirement, of course, is a growing market which can only be obtained by a prosperous industrial economy at home and expanding trade policies abroad. Those farmers are a great asset to our country and although they are facing serious difficulties today they are not receiving any encouragement from this government, or certainly not any consistent with the assurances which this administration has given them. On the contrary, the farmers about whom I have been speaking are the main victims—

Mr. Regnier: I rise on a point of order.

Mr. Martin (Essex East): —of the restrictive and protective trade policy of the government.

Mr. Regnier: I rise on a point of order, Mr. Chairman. I should like to ask the hon. member who has the floor from what report he is reading.

The Deputy Chairman: If the hon. member for Essex East does not wish to be interrupted, he is not obliged to permit a question.

Mr. Martin (Essex East): The second sector of our agricultural economy is composed of those farmers located where the land and other resources are marginal or poorer for farming. In our agricultural economy this type of farmer has become the great victim of automation and technological change just as the unskilled worker has been losing his place in our industrial life.

Mr. Horner (Acadia): Who wrote that speech?

Mr. Martin (Essex East): To these questions this government does address itself in this measure but in a way that is so vague as to suggest that the most that can be done is to give it support in principle.

The minister referred to the recommendations of the Senate committee. He read out five of them and I prodded him to read the sixth recommendation of the committee on July 13, 1960. Why did he not read out the recommendations of the same committee on July 8, 1959? The first recommendation provided as follows and I quote from page 488:

> That the soil survey being co-operatively carried out by the federal Department of Agriculture, the provincial departments of agriculture and the colleges of agriculture be speeded up and expanded not only in order to complete the soil mapping of the whole settled area of Canada, but also of the unsettled areas.

This policy brought in by this government, commendable as it is in principle, is two years late. Why did it not follow the statement or the magna carta of the Prime Minister, whose speech the hon. gentleman referred to and from which he quoted so extensively a few moments ago. Why did not the minister, who now asks for objective assessment of this resolution, refer to the statement made by the former prime minister of Canada who spoke in Toronto on November 20, 1956 on this very matter?

Mr. Speakman: And did nothing.

Mr. Martin (Essex East): The hon. member says he did nothing. May I say that he was the one who set up the committee which drafted the basis for this resolution? Mr. St. Laurent, who did so much for agriculture said this:

> I am convinced that some of the land in eastern Canada that hard working Canadians are trying to use as farms should go back to forest and water conservation uses and those attempting to live on them resettled in more rewarding surroundings. I therefore suggest that it should be the urgent business of all levels of government and private enterprise, individual and co-operative, to see to it that agricultural production keeps up with our increase in population and thus provides the farming population with a fair share of the national income.

That is what Mr. St. Laurent said in 1956. The result was the setting up of this committee in the other place, which has done such valuable work, first under the chairmanship of a former distinguished member of this house, the former member for Quebec East, and now under Senator Pearson.

The legislation as outlined by the minister today represents in every particular recommendations made by that committee, directly or indirectly. It is also based on the report of the Gordon commission. I refer to that report of December, 1956, at page 28, where the commission recommended certain things, *inter alia*. It was suggested that the federal government should co-operate in the same way with any other province where similar problems exist, provided they are assured of the co-operation of the provincial governments concerned. The report says:

> We suggest that if the people and the governments of Nova Scotia, New Brunswick and Prince Edward Island are interested in co-operating in such a plan, the federal government should assist the governments of these three provinces—

Then I leave out certain words and quote again from the report of the Gordon commission:

> We suggest that in any such appraisal of the best land use in this area, particular attention be directed to increasing the forestry potential with a view to increasing the incomes of the people in this part of the country.

Then the report goes on to point out that what it recommends for these maritime provinces, the Atlantic area, would have equal application to the other provinces of Canada.

The minister has today made no references whatsoever to the valuable work of the Canadian Federation of Agriculture. He has before him now, I take it, the model bill provided by the Canadian Federation of Agriculture for the consideration of the government.

I would like to know from the minister later on when he speaks whether the project that he has in mind is not either that identical bill or one that incorporates its provisions. At any rate, no one can deny that the Canadian Federation of Agriculture has made a valuable contribution to this problem. But not one word was uttered by the minister today about that contribution or the representations made by the Canadian Federation of Agriculture.

I have before me the brief of 1957 and the brief of 1959 of the Canadian Federation of Agriculture presented to the Senate committee on land use, studying the problem of the small farm unit. I have, likewise, a copy of the model bill. I ask the minister now, does he not think that he would have strengthened his position by referring to the viewpoints of other bodies, of the farm organizations? Does he not think that if he had given credit to Mr. St. Laurent and to the committee of the other place he would have strengthened his position?

He did not do these things because he is the arch-propagandist of the government and wanted to convey the impression in the country that this government, having given a new vision from which he was now departing, in the former department, was now about to create a newer vision still, one that was going to bring heaven and earth to the farmers of our country.

I say that whatever merit there is in this proposal—and there is, of course, fundamental merit in it, vague as the language is—that is because of the work of Mr. St. Laurent, of his government, of the committee and bodies like the Canadian Federation of Agriculture.

The minister said nothing about particularizations emphasized by the federation. The federation pointed out that this kind of a project, to be effective, must cover certain areas of activity; it must cover research; it must cover community and industrial development; it must cover agricultural education and extension, vocational training, the reestablishment of economically disadvantageous farms and rural people, land and water conservation, and finally recreation and tourist development.

Are we to understand that because the minister did not include all of the recommendations, the legislation that he has in mind is not intended to be as far-reaching as that? If not, the minister will certainly run counter to the representations made by a body of the farmers of this country who have given careful consideration to this vital and important problem.

What does the minister say about the recommendations made by the Canadian Federation of Agriculture with regard to

taking direct measures to relieve the position of the very low income farmers who have a variety of reasons for little hope, unassisted, of escaping from their present depressed economic position?

What does he say about the proposal to help the diminishing number of farmers who remain in agriculture to use their land to the best possible advantage and increase their income earning potential? What does he say about the recommendations made by the Canadian Federation of Agriculture which are to be found in their brief of March 21, 1957, at page 2? What does the minister say about the various statements of the problem beginning at page 3 and extending right on to page 5, numbering seven?

What about the proposed solutions, those dealing with soil, land use and other economic and social surveys, and so on? What does the minister say about the proposal with regard to rehabilitation and re-establishment proposed by the Canadian Federation of Agriculture?

Not one word was said by the minister about the proposal for a special credit agency that must be integrated into a scheme such as this. These are matters which the minister—

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I must rise on a point of personal privilege. The hon. member made a flat statement that I did not refer to the credit scheme and so on. If he had listened to my speech, I made that very clear.

An hon. Member: Your speech was written yesterday by somebody else.

Mr. Martin (Essex East): Of course, Mr. Chairman, you will observe that that is the kind of observation which the minister is entitled to make by way of argument, but it certainly is not a matter of privilege.

Mr. Hamilton (Qu'Appelle): Mr. Chairman, I have stated flatly my point of privilege as quietly and as courteously as I can, that the hon. member for Essex East has misinformed the house when he says I did not mention that matter. I told him very quietly and courteously that I did mention it. When I catch him in an untruth, he says it is not a question of privilege.

Mr. Martin (Essex East): I would point out, Mr. Chairman, that this is the second time the Minister of Agriculture has taken up my time with points of order that are not points of order and with questions of privilege that are not questions of privilege. However, I have no objection.

If some of the matters referred to in these two briefs were to be implied in the speech of the minister given a few moments ago, he will have an opportunity to clearly indicate them. All I am now saying is that the minister did not refer to the Canadian Federation of Agriculture at all. He made no reference to their briefs, and I am surely entitled to say that the minister has ignored their recommendations and in the plan he has in mind he seemingly has no intention of following their recommendations. I know the minister is impatient; he does not like these things being pointed out to him. But he is the author of his present difficulty, and I am not.

The situation, briefly, is this. The former government under Mr. St. Laurent recognized that something had to be done—

An hon. Member: Why didn't you do it?

Mr. Martin (Essex East): —over the long term to deal with agriculture. Toward that end he caused to be set up in the other place a study that has been made progressively up until this time. That study, according to the other place is not yet finished. It is a study that will in the long term address itself to at least 25 per cent of the farming population of our country, and in other particulars to all of the farmers of our country, in a manner designed to deal with the fundamental crisis that does face agriculture at the present time.

Any measure designed to meet that fundamental situation will receive the support of every member of this house. It will encourage the co-operation of government at all levels, provincial and municipal as well as federal, and all voluntary bodies.

The minister says he does not intend to proceed with this measure right away; that he does not intend to proceed until the provinces have had an opportunity of examining this legislation in detail. I say that having brought forward a proposal such as this, having taken these various steps, the minister must not now, on the occasion of his first presentation of agricultural policy to this house, regard this so-called achievement of his as in any way meeting or satisfying the promises made by the Prime Minister and other members of the government to the farmers of Canada in the elections of 1957 and 1958.

The farmers are now faced with a critical situation in terms of loss of income. The Minister of Agriculture himself acknowledged this when he pointed out the number of farmers in Saskatchewan whose income is less than $1,200 a year—the number of farms in Ontario, the largest province, from which income has fallen to below substandard levels. That is a statement of the situation in our country. The minister, together with the anxious members who sit behind him, must

not think that by the introduction of this measure they are going to satisfy the farmers who today are concerned about their income position.

This, like the other legislation introduced by this government before Christmas, is designed in principle to meet the long term need. It overlooks, it evades the present situation. The legislation respecting vocational training, the legislation with regard to small business and the establishment of a productivity council—these were measures introduced by the government prior to Christmas—were all long term in their effects. But hon. gentlemen opposite sought in their design to give the impression to the Canadian people that the government had embarked on a vigorous campaign to alleviate unemployment conditions in our country.

Now, again today, this government by royal commission, this government of procrastination, ineptness and postponement, seeks to convey to the Canadian farmers as it did to the Canadian industrial worker, that it is going to meet their problems by introducing something which has all the earmarks of full acceptability but which is not designed, as the minister's own words indicate, to cope with the actual conditions confronting the Canadian farmer.

I again offer the hon. gentleman my congratulations on being named Minister of Agriculture. I had hoped he would have been able in the first instance to address himself immediately to the crisis currently confronting the farmers of Canada. Since he has not done that, he may be assured that this measure, to the extent that it will help in meeting the problems facing the farmers of Canada in the long term, will receive our full support. But as one who represents in this house many farmers I deplore and regret that once again we are going to be given, this time through the new Minister of Agriculture, a further demonstration of the government's utter incapacity to meet the problems facing the Canadian people.

Mr. Charlton: Would the hon. member for Essex East permit a question? Did the federal Department of Agriculture between the years 1935 and 1957, during which years the hon. member for Essex East was a member of the government, ever assist the soil survey work carried out for 30 years by the department of agriculture in Ontario?

Mr. Martin (Essex East): The hon. member, who does me the favour of saying I was a member of the government for all that length of time, has been in this house for about as long as I have, and I should not need to have to remind him that no one has made a greater contribution to agriculture, ministerially, than the former minister of agriculture who had the responsibility, for example, of administering P.F.R.A. With regard to soil studies, would the hon. member deny that the federal government did assist the province of Ontario in studies of the very kind to which he is referring. Would he deny that the agricultural school at Ste. Anne de Bellevue—

Some hon. Members: Answer the question.

The Chairman: Order.

Mr. Martin (Essex East): I am answering the question. Would he deny that assistance was given—Mr. Chairman, you must restrict these primitives here who will not enable me to make a reply. I would also answer the question by saying that soil studies—the former government authorized studies to be made by the agricultural college at Ste. Anne de Bellevue for the purpose of finding out more about soil. Indeed, the federal government under Mr. St. Laurent and Mackenzie King made all sorts of grants to all sorts of bodies for this and for other studies.

Mr. Hamilton (Qu'Appelle): I understood the hon. gentleman to say that P.F.R.A. was started by the former minister of agriculture and I should like to correct the record on that point—

Mr. Martin (Essex East): I did not say that. I recognize that an earlier minister of agriculture, Mr. Weir, was among those responsible for its origin, along with Mr. Thompson and a Mr. Spence, a former member of parliament. But in any event the main administration, the real foundation for P.F.R.A. was the responsibility of the government of Mackenzie King and St. Laurent and the administration was carried out by Mr. James Gardiner.

Mr. Argue: I listened with a great deal of interest to the statement of the Minister of Agriculture. Certainly all members of the house will support any program, no matter how long term its nature, which promises to bring some measure of stability to the agriculture industry. The whole question of conservation of land and water use, rural redevelopment and so on is something which has occupied the minds of former governments, all members of this house and all members of the other place for a long time, and we shall await with interest the development of any program directed towards this laudable objective.

The statement made by the Minister of Agriculture this afternoon was very wordy. It contained a lot of fine phraseology, but I think it lacked any great substance and failed to throw any very clear light on what the government is, in fact, proposing to do.

The hon. member for Essex East made a very interesting statement to the committee. No doubt the fact that the Liberal party has such a large array of very competent and highly qualified research assistants has assisted the hon. gentleman.

I do not want in any way to detract from the hon. member for Essex East who shows in this chamber a great capacity to appear well-informed on subjects about which he has very little knowledge. I shall always remember and admire how on one occasion the hon. gentleman spoke eloquently for almost 30 minutes on the whole question of deficiency payments. I thought at the time how much better it would have been if the hon. gentleman had spent one or two minutes briefing himself with respect to the definition of deficiency payments.

I wish to welcome back to the chamber the Minister of Agriculture. He has been here only once or twice since parliament reconvened. He has become a rather transient or travelling minister. On most days during this session I have had prepared questions on agriculture to ask to the minister but he was not in the house because he had very important engagements to fulfil in various parts of this country.

The hon. member for Essex East has referred to the minister as the arch propagandist of the government. This government needs a salesman and the minister is doing his best to sell a very difficult product to the Canadian electorate, namely the record of the government.

I believe the minister is wise in not attempting to push through parliament the bill that will follow this resolution before consulting with the provincial governments. I think a great error was made on a former occasion with respect to the crop insurance bill when the government took a rather high-handed attitude and introduced the legislation, pushed it through and made a provision under which the great bulk of the cost of crop insurance would be borne by the provincial governments and insured farmers and little would be borne by this government.

I hope that in the negotiations that take place in working toward agreements under this proposed measure the government will be generous in its contribution, will give some leadership to the province and will embark upon programs that will assist in agricultural redevelopment and in the improvement of rural life.

The great question facing the farmers of this country is the matter of current income and markets for current products. The measure before the committee this afternoon is a long term one. I do not say that tree planting, tree farming and pulpwood farming do not have some part to play in the agricultural economy but in going about the nation talking to farmers the present minister has become known as the Christmas tree Minister of Agriculture.

When you tell the farmer that the answer to his problems under the latest proposal of the government is that he should plant trees and produce pulpwood he will say, "That is fine for my grandchildren, but what am I going to do to sell my current products at a reasonable price?"

The minister said the government had four agricultural policies. This will be the fourth measure placed on the statute books. The minister said these policies would provide solutions to the problems of agriculture. In the judgment of this group the first and foremost policy this government should adopt and which it has failed to provide is one that would establish parity prices for agricultural commodities.

The government's legislation on the statute books in relation to support prices for agricultural commodities has been in the main a cruel hoax. Following the passage of Bill No. 237, as it was then known, farmers across Canada felt that under that legislation the government would provide parity prices for agricultural commodities. The fact of the matter is, as the record shows, that under this government's price support policies, with deficiency payments and the establishment of averages, the farmer in the main has received lower prices for the chief products that have been supported than he received in the years immediately prior to this government taking office. Instead of receiving improved prices for hogs and eggs the farmer has received lower prices under the program adopted by this government. The first thing this government should do is to fulfil its election commitments establishing parity—not charity—prices, instead of the present policy the government follows which has provided neither parity nor charity as far as the average farmer is concerned.

The second essential thing in terms of agricultural policy which is not dealt with in this resolution is the need to provide markets for surplus agricultural commodities. There is a great challenge facing this government. It is not one of shutting down the small farm which this legislation must inevitably mean as well as the consolidation of farms. This legislation, of course, means that. The challenge is not that of pushing the small farm out of existence to provide an acceleration of economic units. The great challenge is to move the vast glut of surplus agriculture products to market. This is the challenge and the minister in this instance should raise his sights.

The government should be undertaking programs to get rid of our wheat, barley and butter.

Mr. Hamilton (Qu'Appelle): Would the hon. member permit a question. I would like to ask the hon. member where he was when the Vancouver grain handlers strike was on for three weeks at which time we could have shipped another 10 million bushels of wheat?

Mr. Argue: According to the Canadian wheat board we did not lose any sales. I have the floor, Mr. Chairman. It is this government that was and is responsible. This is a work for the general advantage of Canada. This is the minister who sat with hands folded and did nothing. The minister and the government allowed the strike to go on without exerting authority.

Mr. Hamilton (Qu'Appelle): Answer my question. Where were you?

Mr. Pickersgill: Where were you?

Mr. Hamilton (Qu'Appelle): Was the hon. gentleman in the bulrushes?

Mr. Argue: The minister may reply later if he wishes. The hon. gentleman has a great facility for distracting attention and setting up a kind of sideshow.

Mr. Pickersgill: The minister is one.

Mr. Argue: The government has failed to deal with agricultural policies relating to support prices and markets for surplus commodities and in view of its abysmal failure in order to distract attention it has set up this sideshow which is nice entertainment. We are appreciative of it but it is only a sideshow in relation to the great problems facing the agricultural communities.

Mr. Hamilton (Qu'Appelle): Every farmer wants to know where the hon. gentleman was.

Mr. Argue: The minister said he was going to raise his sights with respect to getting markets for Canadian wheat. When he did so he got his sights up to a mark 20 million bushels lower than the accomplishment of the former minister of trade and commerce. This inability of the Minister of Agriculture to dispose of the surplus agricultural commodities in the world today condemns the government's over-all agricultural policy.

The third proposal I suggest in this period of depressed markets is farm storage of surplus farm commodities, particularly grain. I suggest that in conjunction with such a policy there should be guaranteed to the grain producers of western Canada an annual quota of eight bushels per specified acre. If the government fails to obtain markets adequate for producers to fulfil this quota then they should be paid for grain held on the farm. With respect to the difference between the amount sold and that held on the farm they should be paid farm storage as well. That, Mr. Chairman, would be a great step forward in the development of an over-all agricultural policy.

I would suggest that in this resolution providing for the improvement of agriculture generally there should be a provision for national marketing boards to provide, at the producer's request, stability in the assembling, processing and marketing of agricultural products. The government should cease and desist from the policy of tearing down the stabilized marketing system for grain that has been built up by so many years of sacrifice and at such great cost in energy on the part of the people who were supporting it.

The government is wrong and in error in its policy of allowing feed mills of this country literally to steal grain from producers who are in distressed circumstances at prices lower than the Canadian wheat board—

The Deputy Chairman: Order. The Chair has been quite lenient with the hon. member. He has been wandering all over the general agricultural field, and I would ask the hon. member to stick more to the resolution than he has been doing.

Mr. Argue: Mr. Chairman, the minister ranged very widely in his discussion. I think you will have to agree that he discussed the whole ambit of the government's agricultural policy. He did not stick to this one resolution. He talked about agricultural credit, he talked about the government's proposed support program, and so on. I am not going to deal at length with other things that I think should be in this program or to deal at length with comments on those other policies. I suggest that since the minister, in introducing this statement, discussed not only the provisions of this motion but other parts of the agricultural program, it is in order for hon. members on this side of the house to make comments, not as the minister did on the adequacy of the government's over-all program but rather on the inadequacy of the government's over-all program.

Mr. Pickersgill: Before the hon. member proceeds, I should like to support what he has said on the point of order because it will arise in connection with other hon. members over here. I was listening to the hon. member for Assiniboia very carefully. What he was saying was that instead of doing what is recommened in the resolution, certain other things should be done first.

This resolution begins with "It is expedient". Now, surely, the main point that one is asking on this resolution is whether this is expedient or something else is expedient. It seems to me it would be an abridgment of our traditional rights to restrict the discussion as suggested. In any event, it would be an abridgment of our traditional rights to seek to limit us in the way in which the hon. member says the minister was not limited.

Mr. Hamilton (Qu'Appelle): May I speak on the point of order? I should like to support the stand taken by the hon. member for Assiniboia and the hon. member for Bonavista-Twillingate, for this reason. This is one of the major parts of the government's national agricultural program and can be discussed intelligently only if the whole program can be referred to and discussed in toto. I would suggest it would do great harm to the discussion of this bill at the resolution stage, and certainly at the second reading stage, if we limited the discussion to the narrow terms of this part of the national agricultural program.

The Deputy Chairman: May I say just one thing. Of course, under standing order 59(2) speeches in committee of the whole house must be strictly relevant to the item or clause under consideration. The Chair does not make the rules; the Chair tries to interpret them and the Chair tends to be very lenient in so far as that is possible.

Mr. Martin (Essex East): And the Chair is very fair.

Mr. Argue: I think we are all in a very generous mood at the moment. While I agree very much with the Chairman, that the rule must be enforced, there is another well-known practice in this house and that is, if there is unanimous agreement, our own procedure is in our own hands. I think, however, on the point of order the minister is correct, that in dealing with such a large part of the government's agricultural policy it is very difficult not to make reference to other parts or, indeed, to make proposals as to additional projects which should be contained in the resolution.

I was pointing out, Mr. Chairman, that I thought there should be provision for national marketing. I want to make it the fifth suggestion. As part of the government's agricultural program a board of livestock commissioners should be established to provide for scientific grading standards to protect farmers' interests in the market. I think that such a board would receive the support of the agricultural community and could do a good deal to ensure that farmers were given fair grades for the products they sell and when given a fair grade get an appropriate price for that grade at that time.

As point six I suggest that if we are to provide for the stabilization of agriculture and for rural development in the world as we know it the government should have the support of this house in all of its efforts to have a workable international food pool established under the United Nations. This is another long term proposal, of course. A working international food pool is essential, not just from the standpoint of the co-ordination of the agricultural industry in exporting nations but it is necessary to the welfare of people in all parts of the world.

The seventh suggestion I have to make is that steps should be taken at an early date to provide that some of our surplus food should be made available by appropriate means to low income groups within our society. At a time when there is widespread unemployment there is naturally a growing demand that the government undertake measures to make surplus Canadian food more readily available to Canadians who have inadequate and low incomes.

At this point, I might say I hope that this government will no longer delay action in making available surplus food from Canada to help starving peoples wherever they may be, and I have special reference to starvation in the Congo at this time.

Point number eight that I have listed here, Mr. Chairman, is an improvement and an extension of the provisions of the Prairie Farm Assistance Act which I think are part and parcel of any kind of a rural redevelopment program. I think the Prairie Farm Assistance Act, which has been on the statute books for many years, is the kind of program that, if developed, will meet loss of income through crop failure much more adequately than the crop insurance scheme that is now on the statute books, a scheme that in the very nature of things will be available for many years to come only to a minority of agricultural producers, that minority being those producers who have few crop failures and therefore can afford to pay the lower rates of insurance.

The need for support for rural income, the need for the development of an agricultural program, is very great. I want to remind the Minister of Agriculture that in his statement about the program he is putting forward there was no reference to the need of assistance to farmers in the development of a system of adequate farm to market roads. The minister may throw up his hands and say: This has no part in a national government policy. I differ. I think it is time we had a national road policy in this country.

The United States have had one since 1912 whereby federal money and federal leadership are provided in establishing transcontinental highways and in constructing farm to market roads and roads over which school buses travel.

The cost of roads in rural Canada with its diminishing population is one of the heaviest burdens that exist for farmers today. Taxes for roads are high, and if the government wishes to do something that will assist the small farmer and will assist the development of rural areas I suggest that this is a provision that cannot be overlooked. I know that the minister has studied very carefully, and I congratulate him for it, the reports of the Saskatchewan royal commission on agriculture and rural life, and he knows from these reports that very great emphasis has been placed on the need of establishing an adequate road system for agricultural users.

There is another proposal I wish to make and it is one that has been made by members of this group for many years. There should be more adequate provision by the federal government for educational services in Canada. Roads and education represent two of the very high costs that rural people must pay and these costs increase for all rural people as population diminishes and more economic units are established.

The policy put forward in the resolution will help but by itself it is inadequate and in conjunction with other policies of the government will not, the main policy having already failed, meet the chief problems of agricultural income and agricultural markets. The minister is wise in saying that we should not be asked to proceed with second reading of the bill until the government has had a chance to negotiate with the provinces but I suggest that this leaves parliament in a rather invidious position. We are asked to support the resolution and give approval in principle to the introduction of a certain bill which will be given first reading. After we have gone that far the minister presumably will then begin a journey to various parts of the country to discuss a bill which has not been given second reading involving approval in principle by the House of Commons and which may be amended very materially in the normal course of events.

I think the government should have had more particular conversations with the provinces. I think the government should have discussed with the provinces not only its general policies but in greater detail the kind of recommendations it hoped to make to parliament and that the government should have then introduced and recommended a bill to the house which had been drafted after having had thorough and adequate discussions with the provinces.

I tell the Minister of Agriculture, and with this I conclude my remarks, that the government should do much better in this legislation than it has done in the crop insurance legislation, that under the Prairie Farm Rehabilitation Act over the years very little of the cost has been placed on the shoulders of provincial governments or on the backs of the farmers. The main cost has been borne by the federal government. The proportionate amount of money spent by the federal government on this program and the willingness of the government to correct its policies with regard to agricultural supports and markets will in the main decide whether or not the future will see established a successful agricultural policy.

Mr. White: Mr. Chairman, I listened with interest to the question about procedure and I feel that if I read one phrase from the resolution it will make what I have to say quite in order. I refer to the words: "and projects for the development and conservation of the soil and water resources of Canada".

I want to congratulate the minister and the government upon the introduction of this resolution which can be very far-reaching as far as agriculture is concerned. I must say that I have had quite a number of inquiries regarding the ramifications of the resolution and the bill which will follow. These inquiries show a very deep appreciation of the work envisaged by the minister in this resolution, and so I take pleasure in congratulating him and the government upon its introduction.

What I want to say will have particular reference to western Ontario, old Ontario. I have just been reading some words of the Prime Minister as found on page 44 of *Hansard* for November 21. At that time he said:

> By 1990, unless something is done, Canada is going to run out of wholesome water.

That, Mr. Chairman and gentlemen, is only 30 years away. It was my privilege recently to visit Australia and for those hon. members who have not had that opportunity may I say that we do not appreciate to the full the great water resources that we in this country enjoy. The vast interior of that continent is arid or semi-arid, many areas having a rainfall of only three inches or less per year and temperatures for a good part of the time ranging from the 90's to 120. The Australians appreciate water and are making great strides in conserving all that they have.

This applies also to Israel. I also had the opportunity of visiting that land and seeing the great efforts they are putting forth there to bring fresh water to the Negeb desert. Therefore, Mr. Chairman, the problems of conservation of water, timber and soil in our country are great. Many years ago a sage, whose name I cannot recall at the moment said: "Show me an eroded soil and I will show you an eroded people".

The county from which I come, namely Middlesex, has less than 7 per cent of its land area in timber. Consequently water conservation has been and is a continuing and, in fact, a worsening problem. Neither has there been enough attention paid to nor have there been sufficient rewards for those farmers who have attempted to retain some bushland. Bush cover is basic to water conservation. Dams are spectacular—I have said this before—and they may be corrective to a degree but they are not fundamental.

While what I have to say is probably pertinent to the Department of Northern Affairs and National Resources it also applies to this resolution. There is pending an agreement between the federal government, the provincial government and the Thames valley authority at Fanshawe. This agreement providing for the rounding out and developing of the Thames valley authority conservation project will be signed on Saturday next. It will be signed by the Minister of Northern Affairs and National Resources and for the province of Ontario by Mr. John Robarts, the minister of education for the province of Ontario and also the member for London North.

This project which was commenced many years ago resulted in the Fanshawe dam as the first major step. The proposed work now being undertaken will attempt to round out this development scheme and will cost approximately $10 million. This has been welcome news to the area and I emphasize that fact. I also want to endorse the project wholeheartedly. I do not want any misunderstanding about this matter. I want it thoroughly and distinctly understood that I endorse the project. However, in so doing, may I say that there are some remarks I wish to make and some points I wish to bring to the attention of the two ministers.

However, before embarking on this Thames valley project, may I say that there are some local problems which deserve consideration at the federal, provincial, municipal and Thames valley authority level. The Canada Water Conservation Act envisages the wise use of natural resources. When the Fanshawe and Thames valley project began the federal government of that day contributed 37½ per cent to the cost but it was distinctly understood that federal money was not available for municipal water supply systems. However, the result has been that Fanshawe lake has become a city water reservoir. Flood control, while certainly a part of conservation, is not intended to be a flood control system for primarily one municipality. I refer you, Mr. Chairman, to an editorial in the London *Free Press* of July 30, 1956, which was some time ago. It states in part as follows:

A. M. Snider, chairman of the Ontario water resources commission, has warned the London public utilties that the city has no priority on water from Fanshawe lake—

However, in spite of these warnings and this knowledge there were incorporated in the Fanshawe dam facilities for the withdrawal of water that was impounded, and since that time up to 3½ million gallons per day have been taken out of Fanshawe lake and put into the area adjacent where the public utilities commission of the city of London have deep wells. In other words, they are using the area as a filtration system and they are removing, as I said, 3½ million gallons of water per day or 2,275 million gallons of water a year. I ask this question: What does the public utilities commission pay to the Thames valley authority for this water?

The story told at the time was that the increased flow of water by conservation methods would provide a greater flow of clean water down the Thames river through the city of London. However, what has actually happened is that the flow has not been increased to any great extent but the water was used, as I mentioned before, as a domestic supply, loaded with sewage in the process and dumped back into the river below the city to the detriment of everyone below.

The polluted Thames is a local disgrace. Local municipalities, local members of parliament and local M.L.A.'s believe that the solution to this problem is a pipe line from lake Huron or lake Erie. For over 50 years the city of London has depended on deep wells adjacent to the city for a municipal water supply. There are 57 wells, over 20 miles of pipe line and a filtration plant built during the past year at a cost of $993,000 or almost $1 million. Back in 1873, during the second session of the second legislature of the province of Ontario, there was passed a bill entitled "An act for the construction of water works for the city of London". Among the provisions of that act I want to bring this particular one to your attention:

5. It shall and may be lawful for the said commissioners, their agents, servants, and workmen,

from time to time, and at such times hereafter as they shall see fit, and they are hereby authorized and empowered to enter into and upon the lands of any person or persons, bodies politic or corporate, in the city of London, or within fifteen miles of the said city and to survey, set out, and ascertain such parts thereof as they may require for the purposes of the said water-works, and also to divert and appropriate any river, pond of water, spring or stream of water therein, as they shall judge suitable and proper—

That provision might have been all right in 1873 when there were a few thousands of people in the city of London. However, today we have a city with a population of 162,000.

Mr. Martin (Essex East): It is a fine city.

Mr. White: By conservative estimates it is expected that the population of London will be 300,000 in the next 20 years. In other words, the present method of securing water is not satisfactory. In other words, water is being stolen from the surrounding farms and it is just about time that this was discontinued.

In addition to this city of London bill, there are several other provincial bills that have set up the water resources commission and others, but they have not corrected the glaring injustice that has been heaped on the surrounding municipalities. There are untold examples I could quote. However, I am going to use this one of which I know from a personal experience. I refer to a well in which the water 50 years ago was within six feet of the top. Today it is 68 feet to the water level. Yet the public utilities commission would tell us that this procedure is not reducing the water table in western Ontario. I am using this example from the county of Middlesex, but the situation applies to practically all of old Ontario west of Toronto. I am not so well acquainted with the rest of the province.

The Ontario water resources commission admit that surface wells in western Ontario will fail in the not too distant future. They also admit that deep artesian wells now owned by farmers are destined to fail if continued and unrestricted exploitation continues. Therefore I think the time has arrived when some action should be taken on the part of the governments concerned, at all levels. Today more farmers in the area are short of water than ever before. Some are drawing water from ponds and lakes; some are buying water.

In addition to this, London's water supply is known as hard water, and some industries and householders are paying more for water softeners and water softening equipment than they are paying for the water they soften. Yet western Ontario is nearly surrounded by fresh, soft water. There is fresh water and there is soft water. There is lake Huron on the north, lake St. Clair, the river St. Clair and river Detroit on the west, and lake Erie to the south.

The London public utilities commission is now engaged in drilling for water within approximately 15 miles of lake Erie. In other words, they are pretty near out in the lake drilling for water now, but at the same time they are stealing water from surrounding municipalities. I doubt whether 15 per cent of the farm population in my area have deep wells.

The city of London is saying to these farmers, "If we dry your well, we will supply you with water". But supposing a few years hence the farmer drills a well and the water table has lowered to the point where he does not reach water? Are they going to supply it to him? No, definitely not. And if they do supply it to him, they will only supply it at a price.

We should take a look at the history of other lands once fertile, green and forested, which over the centuries have become denuded of trees, short of water, and semi-arid. They are the bible lands, Babylon, Greece, north Africa and the Mediterranean area. If we take a look to the south, to the United States, we see that there one farmer in every four is co-operating in the nation's conservation plans.

In Canada we have polluted lakes and rivers, and the hon. member for Lambton West has drawn this very graphically to the attention of the authorities from time to time. The royal commission on forestry reported in 1947 that in old Ontario over five million acres of waste land should be returned to forest.

According to Rand McNally's standard world atlas, Canada's land area is shown as being only 3 per cent arable, and then we talk rather glibly about our inexhaustible natural resources.

It is in this regard that I welcome, as I said before, the introduction today of this resolution by the minister. Following on what I have already stated, we have now arrived at a time when I believe we should protect the rights of minorities. I would respectfully refer to the other place. This was one of the duties assigned to the other place at the time of confederation.

Legislation that would define the rights to water resources is overdue. The Ontario water resources commission is so far, the only hope, as it is aware of this problem confronting all of old Ontario and is making far-reaching studies in this connection.

I apologize to the house for taking up a little time in dealing with what is in a way

a local problem, but at the same time it affects all of old Ontario. I hope the necessary steps will be taken in the not too distant future to equitably distribute this great natural resource of ours, water.

(Translation):

Mr. Boulanger: Mr. Chairman, like the hon. member for Essex East (Mr. Martin) and the hon. member for Assiniboia (Mr. Argue) I want to congratulate the new Minister of Agriculture (Mr. Hamilton) for his recent appointment as head of that department. I hope his period of office as such will be a fruitful, albeit a short one.

After three and a half years of Conservative administration, we have just heard the Minister of Agriculture, the second generation of ministers of agriculture in the third session of this 24th parliament under Conservative rule—establish a program which is supposed to save 38 per cent of our Canadian farms from bankruptcy.

After the report we just heard, we may wonder, as do the farmers in this country, whether the new minister has not come down to us from the far north, to give us a short-lived joy, as does a Santa Claus. But whether he comes from one point or another, we are pleased that he discovered the existence of a serious problem with regard to marginal and submarginal farms in this country.

I remember that the former minister of agriculture had also become aware of a serious farm problem, but, after having been at the head of his department for two years and a half, he said, as we may see in *Hansard* of February 23, 1960 on page 1352 when speaking of the technical evolution which was taking place in agriculture:

> This evolution has created entirely new conditions which require new thinking, new approaches and new policies if the new situations which have arisen as a result of this technological revolution are to be met successfully, or if there is to be any hope of meeting them successfully. We have recognized that this is the situation, and we have demonstrated it by the numerous new policies we have put into effect and which we think have a very good chance of solving the agricultural problems which have existed in this country now for many years past.

And he said:

> The numerous new policies . . . have a very good chance—

And I shall underline the word "chance",

> —of solving the agricultural problems which have existed in this country.

At the time he was heading that department it seemed that our farm policy was based, not on principles, but on chance. He has taken his chance, but it was not auspicious, and the former minister later fell out of favour.

I intend to prove my statement and, to that end, I shall quote what the previous minister said at a conference in Calgary, as reported in the Calgary *Herald* of September 26, 1960:

(Text):

> The minister said the government will soon start a large scale rural development program to help the lower third of Canadian farmers. These farmers, he said, have an annual income of $1,000 or less and the government is now making a study of ways for them to increase their earning power.
>
> Such ways may involve encouraging them to develop the tourist industry in their area, to branch into forestry operation or work in small factories established with the continuing industrialization of the country.

(Translation):

So much for the achievements of the former minister. What can we expect from the second generation of ministers of agriculture? In an effort to salvage the prestige of his government, the new minister has recently made a tour of the country and delivered several stirring speeches. At the farmer's union convention in Guelph he said, for instance, the following, as reported in *La Terre de Chez Nous* of November 2, 1960.

> For goodness' sake, let us stop once and for all pitting eastern farmers against the western farmers, and city people against farm people.

Such was the minister's plea during this the first major speech he made after being nominated to the Department of Agriculture to succeed the new Minister of National Defence (Mr. Harkness).

And he went on to say:

> All of us must recognize that the basic problems of agriculture are an essential and vital matter for all areas of this country, without distinction. The solution to Canada's economic ills is "a deep and comprehensive attack on all fronts at the same time aimed at correcting their weaknesses at their very source."

A few days later, at a federal-provincial conference he made another statement outlining the major points of his program, a program he has put into concrete form by the resolution now under discussion.

I want to point out that at this federal-provincial conference, which was held here in Ottawa on November 9 and 10, 1960, 75 per cent of the subjects that were dealt with had to do with matters related to western agriculture. Eastern farmers' problems were pushed into the background. Yet, there are serious problems in the east; there are problems of family farms. There is the dairy problem. The Minister of Agriculture has not too much sympathy for eastern Canada, and we do not see him there very often.

Agreements Respecting Marginal Lands

At the meeting of the Ottawa valley milk producers, according to a report of the *Journal* of November 23, 1960, the minister said:

(Text):

Grow trees instead of cereals on marginal and submarginal land—

Just because you have been taught for generations and generations that the tree is the enemy of the farmer and have been taught to save the soil for cereals, it does not mean that is true.

(Translation):

I would not want to repeat what he said a moment ago about those 20 million acres of land in the province of Ontario, 8 million of which are submarginal.

Again about the problems out west, he added:

(Text):

Every million acres taken out of wheat production and put into other forms of production means 20 million bushels less wheat added to our surplus each year.

He said the market for forest products was practically assured because the demand for them was expected to rise by 140 per cent by 1975.

He reiterated the 20 year old suggestion that Ottawa valley farmers could save 10 cents a bushel on western oats if they bought the grain once a year and stored it themselves.

If 50 farmers got together and bought through their local dealer western oats in bulk, saving insurance, storage rates, the price at Ottawa could be 84.6 cents a bushel instead of the 95.2 cents now paid.

One farmer said he bought locally grown oats at 75 cents a bushel.

(Translation):

That goes to prove that the Minister of Agriculture is unfamiliar with the situation in eastern Canada.

His remarks left us wondering what he had in mind. Later on we heard he had said in Saskatoon, as reported in the *Western Producer* for December 8, 1960, when he again referred to the conversion of Ontario land for reforestation purposes:

(Text):

The minister said much of this land could be converted to woodlots and tree farms and the farmer would get a bigger return per acre than he was doing at present. Mr. Hamilton conceded that growing trees was a slow process but suggested plans were afoot to enable farmers to obtain a good living in the interim.

(Translation):

After making such statements, the Minister of Agriculture stated again, as I said earlier:

For goodness' sake, let us stop pitting eastern farmers against western farmers, and the city people against farm people.

Mr. Chairman, I must point out that eastern farmers have no grievance against western farmers, no more than city people have against farm people. This notion exists only in the minister's mind.

[Mr. Boulanger.]

Whenever farm policies favourable to the western farmers have been implemented, their eastern counterparts have rejoiced.

Mr. Chairman, if we look closely at this resolution, we find that the government has merely sought to implement some recommendations advocated by the great Liberal party of the time, headed by the Right Hon. Louis St. Laurent.

In fact, in 1957 Mr. St. Laurent asked a Senate committee to investigate the matter of land use. The duties of that committee were as follows:

To investigate and submit a report on land use in Canada and on the steps required to ensure the best possible use of our land for the benefit of this country and the Canadian economy and, especially, in order to increase our farm output and the income of those taking part in it.

That committee on land use has been sitting for four years. Today those recommendations are taking concrete form in the resolution now under discussion.

In principle, the resolution contains all the components of a policy designed to increase the income of marginal farms.

However, if only the practical aspect of the question is taken into account, it is to be feared that this legislation is a mere smokescreen to conceal the government's incompetence. Is not the agricultural stabilization act itself a smokescreen?

Does not the preamble of that act state that:

It is expedient to enact a measure for the purpose of stabilizing the prices of agricultural commodities in order to assist the industry of agriculture to realize fair returns for its labour and investment, and to maintain a fair relationship between prices received by farmers and the costs of the goods and services that they buy, thus to provide farmers with a fair share of the national income.

And what happened since? Whereas the farm produce index reached 245.5 in 1958, on the basis of 100 for the average of the years 1935-1939, it fell to 242.9 in 1959, and 235.2 in August 1960.

Now, if we look at the cost index for goods and services acquired by our farmers, we see that it rose from 259.9 in 1958 to 269.5 in 1959, and 279.6 in August 1960.

Yet, we have heard fine speeches stating that this legislation would restore to our farmers their deserved share of the national revenue.

It is to be feared that, after a three and a half years' experience under a Conservative rule, the expected results fall somewhat short of the enthusiasm expressed by the new minister.

There is, as a matter of fact, enough matter in the resolution to rouse more than enthusiasm. Credit must be given to the Canadian Federation of Agriculture, for having submitted a brief to the Senate committee on land use on May 13, 1959.

The government should commend our farmers for the objective work they did in finding realistic solutions for their problems.

However, it is unfortunate that the former minister of agriculture should not have applied the recommendations which were made to him in the last two or three years.

We had to wait until Providence sent us a minister whose qualifications as a seer are greater than his farming experience.

The resolution we are now asked to approve is, to my mind, the second stage of a land improvement program.

I think that the first phase, before introducing such a project, should have consisted in setting up an advisory committee in each province which would, later, have been able to give counsel and advice and make recommendations adapted to local needs.

I did indeed advocate such legislation in this house on February 2, 1959, as we can see on page 578 of *Hansard*. I said this:

> There would be much to say concerning another item of the Liberal program which is indirectly related to the establishment of an agricultural expansion bank. I am referring to the setting up of an agricultural advisory council in each province, on which the federal and provincial authorities would be represented.

Anyway, this recommendation was made by the committee in 1959.

> This council would have to study the problems of agriculture within a province and make just and proper recommendations to the federal government.

I cannot agree with the central government enacting legislation for better land use to which the provinces would be required to contribute financially if they were not consulted. On the other hand, according to the experience of the United States in the field of assistance to marginal farms and before adopting such a program, we must define what constitutes a marginal family farm. What are the income possibilities of a family farm? What is the income potential of the members of the family both on and outside the farm? What are the available agricultural resources? What are the possible adjustments in farm operations or use to increase their revenues? To determine the costs of the program we need fairly accurate answers to all those questions. I believe that a provincial advisory committee on agriculture would have been able to inform the ministers pretty accurately if the government had created one at the right time.

In his speech, the minister did not refer to the costs of this program. He did not tell us what the provincial and federal governments' responsibilities would be. He did not say how those responsibilities would be apportioned. He did not assess the costs of this program to each government; he did not say how the farmers who will engage in retimbering will live before they get any income out of it.

A prominent agricultural expert has told me that farmers who want to retimber their lands should receive a reasonable amount for each retimbered acre until the trees are there.

Certain farmers who will retimber some five or ten acres will have to depend on an already inadequate income to provide for their families.

What will the government do to keep those families on the farm? We would have liked the minister to tell us more about that.

Mr. Chairman, the family farm is an essential part of Canadian economy. We depend on the farm to feed and clothe the ever-increasing population of this country.

Unfortunately, many farm owners lack adequate income to provide their family with a decent standard of living. Yet, it is recognized that when agriculture prospers, the whole nation benefits.

The Canadian farmer has a right to demand a standard of living equal to the level of the general economy to which he has contributed. With the policy of the Conservative government, we did not reach that goal.

Because of the cost-price squeeze, I do not feel that the present policy will improve the condition of the average farmer.

The resolution now before this house will have long term effects. Farmers will have to wait for a change of government before they can benefit from short term policies.

Mr. Pigeon: Mr. Chairman, would the hon. member for Drummond-Arthabaska permit me a question?

Mr. Boulanger: Yes, but beware of the answer.

Mr. Pigeon: Can the hon. member tell me what he thinks about the farm policy of the previous government which, when in power,

used to serve U.S. potatoes in Hungarian refugee camps in British Columbia?

Mr. Martin (Essex East): That question surely does not deserve an answer.

Mr. Pigeon: It is one that hurts, isn't it?

(Text):

Mr. Baldwin: Mr. Chairman, I regret I was not in my seat during the earlier part of this debate and therefore missed the opportunity of hearing what was said by the hon. member for Essex East. I always listen with interest to his speeches on agricultural matters. My interest originated some years ago when the hon. member spoke in my constituency during one of the election campaigns of 1957 or 1958. He made a speech which fortunately for me in connection with the next election still lingers in the memory of the people and the farmers of the Peace river country. I believe the text of his message was that the farmers in the last two or three years had never had it so good. I am sure the hon. member will forgive me if I say that his speech recalls to my mind Edwin Markham's poem "The Man With the Hoe". I frequently think of that poem when the hon. member speaks on agricultural matters. I understand I am taking some poetic licence, but the first few lines, as hon. members will recall, go something like this:

> Bowed by the weight of centuries he leans
> Upon his hoe and gazes on the ground,
> The emptiness of ages in his face,
> And on his back the burden of the world.

I always think that that well describes the hon. member when he speaks on agricultural matters.

This afternoon the hon. member for Assiniboia gave his views on this resolution. I think they consisted merely of a repetition of the threadbare, shop-worn clichés which for so many years he has been attempting to suggest contain the elements which are required by the agricultural industry for its betterment and improvement. For one who aspires to wear the toga of the leader of this new party he is far from giving us information on what are the true facts today.

It is recognized by responsible agricultural statesmen in both Canada and the United States that some of the measures which the hon. member has suggested may, it is true, have some slight or temporary palliative effects, but the true remedies lie much deeper than those. There are far more fundamental changes which require to be made and this, I think, is certainly accepted by this government in this measure which is a part of the pattern of change which has been emerging step by step and stage by stage, to indicate that the government has steadfastly in front of it the problems, and the solutions of those problems, of the small men of this country, the men who under the last government were the forgotten men.

This is a very important resolution, Mr. Chairman. When you read it and analyse it you find that it proposes measures which, if implemented by legislation, in due course, will have far-reaching, deep and fundamental effects. As I read the resolution I find it can be divided into a number of proposals. It authorizes the Minister of Agriculture:

> To enter into agreements with provincial governments or agencies thereof for the undertaking jointly with those governments or agencies of projects for the alternative uses of lands that are marginal or of low productivity,—

That has been dealt with to some extent, and I think it will be dealt with in this debate by other hon. members.

Second—and this is the area that I propose to deal with—the resolution goes on:

> —projects for the development of income and employment opportunities in rural agricultural areas, and projects for the development and conservation of the soil and water resources of Canada;—

It is true that at this time there are areas of this country in which, because of impoverishment of the soil, because of the uneconomic size of the farm units, because of world markets and for other reasons the owners and occupants of farms are not achieving the standard of living which we feel they should have. I think we should not forget—and this is where the wisdom of this resolution comes in—that it is equally important to make provision to ensure that the areas which can provide for their owners a reasonable and adequate standard of living are not relegated to the lower brackets.

There is a tendency in any industry involving the development of natural resources for a certain pattern to emerge. If conditions are not good there is a tendency to intensify and concentrate on the production of wealth from natural resources, and the inevitable result is, as we have seen in many parts of the world, the development of a surplus of goods produced from those particular natural resources. Sometimes the natural resources become worn out or depleted, with a consequent lowering of the standards of living of the people engaged in the utilization of those natural resources. It is therefore most essential that we establish a flexible program to ensure stability, and an increase in the standard of living, and to provide for a more variable and sophisticated type of production

to meet the ever changing requirements of the world markets and of the appetites of the people of the world. I feel confident that that is what can be envisaged in this particular part of the resolution to which I am going to direct my attention.

I am also particularly interested in the suggestion that some of these desired results will have to be brought about by means of joint arrangements, with provincial governments, because I live in a district to which this is particularly applicable. The Peace river country is divided among different spheres of jurisdiction, namely the two provinces of British Columbia and Alberta and the Northwest Territories and, of course, the federal government. Many of these territorial divisions were arbitrary, ill-advised and probably established at a time when the people who drew the maps had no conception of what was involved geographically or economically. Consequently our area has suffered not only because of its inaccessibility but because of this division of authority.

I read a news item the other day indicating that there had been some suggestion that a new province should be established in the Northwest Territories. To my way of thinking it would be far more satisfactory and desirable to carve out a new province partly in the province of Alberta, partly in the province of British Columbia and partly in the Northwest Territories but as a realist I know that will not happen. In the belief that we must take the machinery of government that we have and adapt and mould it to fit the times and to suit human requirements, I think that through the medium of this resolution there is a vehicle to achieve the result I have in mind.

We have a very excellent precedent for this sort of thing. In 1933 in the United States there was established what has become well known all over the world as the Tennessee valley authority, popularly known as T.V.A. I have had some interest in this matter for some time because I feel a comparison can be made between what was done there and what I believe should be accomplished in my area and which I am confident this resolution can achieve with the proper measure of co-operation.

In the short time before adjournment, Mr. Chairman, I am going to read two or three extracts from a book written by David E. Lilienthal, who was for many years the chairman of the Tennessee valley authority, in order to indicate that his thinking resulting from his experience can aptly be applied to conditions in our own country. In establishing this authority President Roosevelt sent a message to congress which I think by proper paraphrasing can be made comparable with the terms of this resolution and what has been said about the resolution by the minister. Speaking of the legislation which created the Tennessee valley authority, the president said as quoted in Mr. Lilienthal's book:

> —it enters the wide fields of flood control, soil erosion, afforestation, elimination from agricultural use of marginal lands, and distribution and diversification of industry. In short, this power development... leads logically to national planning for a complete river watershed involving many states and the future lives and welfare of millions. It touches and gives life to all forms of human concerns.

If you paraphrase by using the word "provinces" instead of "states", I think the words in this passage can be considered to have application to many parts of our country. The president suggested, as quoted by Mr. Lilienthal:

> —legislation to create a Tennessee valley authority—a corporation clothed with the power of government but possessed of the flexibility and initiative of a private enterprise. It should be charged with the broadest duty of planning for the proper use, conservation, and development of the natural resources of the Tennessee river drainage basin—

There are differences and we must adapt them to our conditions. The Tennessee valley authority, of course, was envisaged as a public authority for the development of power. We may well find that in the development of an area such as ours private power may be required, but this project with its integration of the resources of farm, forest, mines and river power is something which I think applies well in our case.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Batten: May I ask what the business of the house is to be for tomorrow and Friday?

Mr. Monteith (Perth): I can only reiterate what the acting house leader said last night, that the budget debate will be resumed tomorrow and if that is completed we will continue with the motion to set up the committee on broadcasting. In any event, we will continue with that on Friday.

Mr. Batten: Is the minister in a position to give any indication now of what the business will be for the early part of next week?

Mr. Monteith (Perth): No, I cannot do that.

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

Question

ANSWER TO QUESTION

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

POST OFFICE ADDITION, ROUYN, QUE.

Question No. 74—**Mr. Argue:**

1. Has an addition recently been made to the post office in Rouyn, P.Q.?
2. If so, who were, if any, the architectural consultants employed in the design of this addition?
3. What was the cost of the addition?
4. Have any criticisms been received relative to the design or esthetic appeal of the addition?
5. If so: (a) what is the nature of these criticisms? (b) who made them? (c) on what dates?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. Yes.
2. No consultants employed.
3. Contract amount: $175,400.
4. Yes.
5. (a) New building preferred rather than addition. (b) Municipal council, city of Rouyn. (c) May 24, 1960.

HOUSE OF COMMONS

Thursday, January 26, 1961

The house met at 2.30 p.m.

MAIN ESTIMATES, 1961-62

A message from His Excellency the Governor General, transmitting estimates for the financial year ending March 31, 1962, was presented by Hon. Donald M. Fleming (Minister of Finance) and read by Mr. Speaker to the house.

Mr. Fleming (Eglinton) moved:

That the message of His Excellency, together with the estimates presented this day, be referred to the committee of supply.

Mr. Benidickson: I note the hon. gentleman is not making a speech. This time the minister is abiding by the rules.

Mr. Fleming (Eglinton): I might inform the hon. member that I am not making a speech but I have prepared a summary concerning the estimates for the information of the house and the press. Copies of the summary in English and in French will be available at my office to all hon. members who are interested.

Mr. Benidickson: Reverting to the former practice.

Mr. Fleming (Eglinton): No, doing what we think is sound in the interests of understanding.

Mr. Benidickson: After criticism.

Motion agreed to.

UNITED NATIONS

CONGO—REPORTED REQUEST FOR ADDITIONAL TROOPS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a question arising out of reports in the press to the effect that the Secretary General of the United Nations has requested additional forces from other countries to take the place of those being withdrawn from the Congo. My question is whether the Canadian government has been approached in this connection, and if so what has been the reaction of the government to that approach?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I too saw the reports, but the Canadian government has not been approached in this regard.

CONGO—REPORTED REQUEST FOR CONTRIBUTIONS OF FOOD

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs arising out of continuing reports of widespread starvation in the Congo. The report on the radio this morning indicated that 50,000 pounds of powdered milk were ready for shipment but there was no means to get it there. Can the minister tell the house what action the government is taking to move food supplies to the Congo?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, that report is not accurate in so far as it refers to Canada. We are giving serious consideration to this question. At the moment I am not in a position to make any report. One difficulty is that the main food of the Congolese is rice; they do not use wheat at all. However, we are working on the problem.

Mr. Argue: A supplementary question, Mr. Speaker. Since people are dying daily in the Congo, I do not think this question should be delayed any longer.

Mr. Green: Mr. Speaker, I have already told the hon. member we are attempting to do something in this regard, but it is not as easy a matter as the hon. member thinks.

CONGO—REPORTED BEATING OF MR. LUMUMBA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Secretary of State for External Affairs. On January 19 last I asked the minister a question concerning the reported beating of former Premier Lumumba of the Congo. Knowing of his concern with this problem, and that it is his usual custom to follow up such matters, I wonder whether the minister has any further information to report to the house.

Hon. Howard C. Green (Secretary of State for External Affairs): Yes, Mr. Speaker. This question was considered in the Congo advisory committee a day or two ago, of which committee Canada is a member, and our representative there made our protest on the treatment that had been meted out to Mr. Lumumba. Other members of the Congo advisory committee did the same thing. The Secretary General of the United Nations has

written to President Kasavubu and also to Premier Tshombe of Katanga, protesting this maltreatment and dealing with the question of Mr. Lumumba being given a fair trial promptly.

POST OFFICE DEPARTMENT

MANUFACTURE OF MAIL BOXES AND KEYS IN PENITENTIARY

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Postmaster General. According to this morning's *Gazette* four persons have been arrested having in their possession:

> Keys which police said could open almost every federal mail box in the city—and probably in the entire country.

The same newspaper also reports that:

> In Edmonton police made an arrest in the case and said investigations indicate keys to the mail boxes have been manufactured in the penitentiary at Kingston, where repairs are made to the government mail boxes, and that there may be at least one master key in circulation that could open all mail boxes in Canada.

The question is this. For what silly reason did the Postmaster General decide to entrust prisoners with the manufacturing and repairing of mail box locks and keys?

Mr. Speaker: Order. Did I understand the hon. member to ask for what "silly" reason?

Mr. Denis: Yes, Mr. Speaker, and I admit I was wrong. However, I had that thought in mind.

Mr. Speaker: Unless the hon. member is prepared to withdraw that word he appears to have answered his own question.

Mr. Denis: Very well, Mr. Speaker, I withdraw the word "silly" and am prepared to let the people judge for themselves. Will the Postmaster General consider the advisability of having the locks of government mail boxes changed, by hiring this time honest people for the security of Canadians, as the underworld must now have copies of keys which could be used on existing mail box locks?

Mr. Speaker: Order. The hon. member seems to be set on making a long speech rather than asking a question. Perhaps he would let the minister answer.

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I think I know what the hon. member has in mind even if he has some difficulty in expressing it. I am looking into this matter at the moment.

Mr. Chevrier: He does not speak English nearly as well as the minister does.

[Mr. Green.]

Mr. Hamilton (Notre Dame de Grace): C'est vrai, ça, c'est vrai. I am looking into the matter at the moment, and I shall comment further in a day or two. However, in the course of looking into it, Mr. Speaker, I did discover that mail boxes have been repaired at Kingston penitentiary certainly since about 1900, and I was interested to find out that in February, I think it was, or November, 1956, there had been a question of one of those keys having issued from Kingston penitentiary for illicit purposes.

Mr. McIlraith: And the minister never did anything about it in four years.

Mr. Denis: If the former government made a mistake, does the minister think this government should go on repeating the same mistake?

Mr. Hamilton (Notre Dame de Grace): Perhaps in answering that question I might say that in November, 1957, one of my officials was in Kingston penitentiary—

Some hon. Members: Oh, oh.

An hon. Member: For how long?

Mr. Hamilton (Notre Dame de Grace): —in a visiting capacity in order to look into this matter and take corrective measures.

Mr. Denis: Mr. Speaker,—

Mr. Speaker: Order. If the hon. member has yet not found the key I think at least he has had ample opportunity.

[*Later:*]

Mr. Denis: Mr. Speaker, may I direct a question to the Minister of Finance. In view of the disclosure, reported in today's press, that government keys and locks are being found in the possession of prisoners, can the minister give assurance to the house that keys and locks giving access to the royal Canadian mint are not being manufactured or repaired by prisoners?

Mr. Speaker: Order. Perhaps considering the hour of the question period some of the questions asked do not appear to be as serious as should be expected.

Mr. Denis: It is a question of urgency.

Mr. Speaker: I understood the hon. member's question related to the royal mint?

Mr. Denis: Yes. There are locks and keys which give access to the mint. If it is true that these locks and keys are repaired by prisoners, I think it is a question of urgency. The people of Canada should be assured that those keys are not in the possession of prisoners.

Mr. Speaker: The hon. member does not disclose any new facts which indicate any alteration of policy in this respect.

TIMMINS, ONT.—REPORTED CARRYING OF MAIL BY STRIKEBREAKERS

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, on Tuesday last I directed a question to the Postmaster General and I believe his reply at the time was that the matter had not been brought to his attention. I wonder whether it has been by now, and whether he can inform the house whether any action is contemplated?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, subsequent to the hon. member's question I received a copy of the telegram, and an official of my department is in Timmins today looking into the matter.

FINANCE

INQUIRY AS TO AMOUNT OF MAIN ESTIMATES THIS YEAR

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I think it will be observed that I have attempted to co-operate with the Minister of Finance and keep in order when the estimates are presented to the house. I might address a question to the minister at this time which I think is in order. The total of the statutory items and the amounts to be voted by this house last year amounted to $5,740 million. Will the minister just indicate what the total is for this year as compared with last year?

Mr. Speaker: Order. I think the hon. member is inquiring about information which is readily available to all hon. members by looking at the document which has been tabled, and which the house has directed to be referred to the committee of supply.

Mr. Benidickson: Just on that point I would simply say, of course, that information has been made available to the representatives of the people through the press, but those of us who are sitting here performing our duties as members of parliament will not be able to leave the chamber for some time to obtain that information.

Mr. Speaker: I do not know whether the hon. member raises that as a matter of privilege; if he does, perhaps it could be commented on.

[*Later:*]

Mr. Benidickson: Mr. Speaker, I should like to ask the Minister of Finance another question. Would he indicate to his colleagues in the house whether he informed the press at an earlier hour that the proposed budgetary expenditures as contained in the main estimates tabled today total $6,123 million as compared with $4,526 million when his last Liberal predecessor presented estimates to the house?

Mr. Speaker: Order. It seems to me that the hon. member is seeking to give information. The first part of his question appeared to be an inquiry, but the latter part was not appropriate.

Mr. Benidickson: Is the minister going to indicate whether or not the figure of $6,123 million was given to the press?

Mr. Speaker: Order. The hon. member is asking about a matter with which I have dealt twice now and I think he should accept the decision of the Chair. The hon. member for Vaudreuil-Soulanges.

Mr. McIlraith: Mr. Speaker, I should like to raise a question of privilege—

Mr. Speaker: Would the hon. member defer it until the hon. member for Vaudreuil-Soulanges has asked his question.

[*Later:*]

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to raise for your consideration a matter that I believe affects the privileges of all hon. members. It has to do with the tabling of the estimates earlier today and the disallowance of questions which may or may not have been in order in the form in which they were asked.

We have had the practice adopted by the minister of distributing information to the press earlier this day, and at the opening of the house we were not permitted to get that information although the very subject on which the information would have a bearing is the item of government business which will occupy the rest of the sitting today.

The point that I think is worthy of consideration is whether or not some other method should be provided by the minister for making available to the members of the House of Commons that information which was made available to the press earlier today, so that members might use it where it would be properly used, in the debate on this main item of government business which is to come before us today.

Hon. Donald M. Fleming (Minister of Finance): This is about as lame a question of privilege as hon. members are likely to hear. It is said that prior to the tabling of these estimates in the house, I have made available to the members of the press certain

information in relation to the estimates which I tabled this afternoon. That is quite true. I did so. I have done it before. It was done before I became Minister of Finance. It has been done for years to the knowledge of hon. members opposite, that is those who have any knowledge of what has been taking place.

I am quite sure, Mr. Speaker, that every adult member of the house, at any rate, is quite well aware of the fact that, for instance, at the time of the budget address copies of that address are made available to the press several hours before it is made available to the house, but under terms of the strictest secrecy. Those terms of secrecy have never been violated by the press. This is a sound practice. I did not introduce it. It was the practice before I became the Minister of Finance. I think it is a good practice, and unless the house expresses disapproval I intend to follow that practice. It is a practice in relation to many matters, Mr. Speaker, that copies of announcements may be made available to the press in advance on condition there is no release of the information until the information is tabled in the house. This practice is followed—

Mr. McIlraith: No complaint about that.

Mr. Fleming (Eglinton): —not infrequently in relation to important statements in regard to government policy or as to things that have happened. This, again, is a sound, salutary practice and is by no means new.

What happened this afternoon, what happened last year and the year before, was that those members of the press gallery who were interested were given access to a copy of the estimates and to the summary to which I have referred which was prepared for their use. They were given that information under terms of the strictest secrecy, and they were not permitted to release any of the information until I had tabled the estimates in the house.

Back of this seems to be a suggestion that there is some feeling on the part of hon. members opposite that the press gallery should not be entrusted with this information.

Mr. McIlraith: No. That is a misrepresentation of what I said.

Mr. Fleming (Eglinton): I say quite firmly that I have no qualms whatever about making this kind of information available to the members of the press gallery on the terms which I have mentioned and which fully reserve the rights and privileges of all members of this house. The members of the press gallery have shown themselves to be men of impeccable honour in this regard, and I do not see any reason why they should not be trusted as in the past.

[Mr. Fleming (Eglinton).]

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the minister has of course followed his usual course of drawing extravagant, unwarranted and irrelevant deductions from what we on this side have said.

Mr. Hees: Question.

Mr. Fulton: Is it a question of privilege?

Mr. Speaker: Order. The Leader of the Opposition has the floor. I have given the floor to the Leader of the Opposition to speak on this alleged question of privilege which has been raised. The Leader of the Opposition has been given the opportunity to deal with it before I come to a conclusion.

Mr. Pearson: No one on this side is questioning the propriety or the right of the minister if he sees fit, in confidence, to give the press advance information on this particular matter. I ask the minister, however, whether he does not think, as was the case in the past—and by "past" I mean before 1957, when different methods were introduced—it would have been appropriate to have shown equal courtesy to leaders of the opposition parties by giving them advance notice, in confidence, so that members of the opposition parties could have had that information available when they were debating the budget on the last afternoon of the budget debate.

Mr. Fleming (Eglinton): Mr. Speaker, this is not a matter that affects the budget. What we are discussing this afternoon in the order that has been announced is a budget that has relationship to the balance of ways and means for the fiscal year ending March 31, 1961. The estimates which I tabled this afternoon are the estimates for the financial year commencing April 1, 1961.

Mr. Pearson: There is no relation?

Mr. Fleming (Eglinton): I think there is another observation that may very properly be made in reply to the Leader of the Opposition. On two previous occasions I have made statements in the house at the time of tabling the estimates, pointing out the highlights in those estimates, thinking that this might be of interest and perhaps of assistance to hon. members of the house in reviewing the estimates when a copy came into their hands. But this attempt to give information to the house was met, on the part of the official opposition, with a storm of protest on all those occasions.

Mr. Pearson: Political propaganda.

Mr. Fleming (Eglinton): Therefore I have sought today to economize the time of the house, not by making comment on the estimates but by acquainting hon. members with

the fact that if they are interested in having the assistance of a summary statement in this respect, copies will be available at my office in English and French.

Mr. Pearson: Thank you very much.

Mr. Fleming (Eglinton): They are available there. Hon. members opposite seem to think they should have had advance information on this subject and be given advance copies.

Mr. Speaker, I wish to assure you that the Leader of the Opposition received a copy of these estimates just as soon as the Prime Minister did. I brought into this house this afternoon all the copies I could carry. I brought in the usual six copies of estimates. Whether they be main estimates or supplementary estimates, that is the practice. When you receive the message of His Excellency and read it, it is then that the six copies are distributed. One goes to the Prime Minister, one to the Leader of the Opposition, one to the leader of the C.C.F., two to the table and I am permitted to have one. Then copies are immediately available at the distribution office.

You may be aware, Mr. Speaker—and if you are not, I can tell you right now—that when the hon. member for Kenora-Rainy River rose to ask his question about amounts, asking me about something that was in the estimates, a copy of the estimates was already in the possession of the Leader of the Opposition just three seats from him. If there is any liaison at all between them, he had that information right at his elbow.

Mr. Benidickson: Mr. Speaker, on the matter of privilege may I make a remark or two. Everybody recognized the events this afternoon, but I want to draw attention to the fact that on a similar occasion last year the Minister of Finance took some pride in indicating to the house that he had advised the financial critic of the opposition, which he thought was a courtesy, that on a certain day, that day, he was going to present the estimates to the House of Commons.

I ask the Minister of Finance, did he do that this day when he claims he has been so generous in his treatment of his colleagues in this respect? I think it was observed by all members of the house that this particularly long document was received by me, not through courtesy of the Minister of Finance, at 2.30 or any other hour, but only by reason of the fact that I knew that perhaps at 2.30 it became a public document, and I took my own pains to obtain it.

Some hon. Members: Oh, oh.

Mr. Benidickson: But it is a document of intricate detail which I personally had to obtain. I do not want to put the hon. member for Greenwood (Mr. Macdonnell) on the spot, but I would certainly assert that, knowing the predecessors of the present Minister of Finance, these difficulties would not have arisen if anybody had asked, as I asked at 2.30 sharp of the Minister of Finance in this house before you opened the proceedings, if he could have a document such as I obtained subsequently from friends outside the house—

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Benidickson: —a public document, after 2.30, from friends outside the house. May I make it clear that none of those friends were employees of the government of Canada. They were members of the press. It is now three o'clock in the afternoon.

Mr. Speaker: Order. Does the hon. member for Ottawa West, who raised the point, wish to say anything further before I rule on it?

Mr. McIlraith: Mr. Speaker, I want to make it clear that the part of the remarks of the Minister of Finance having to do with the press have no relevance to the point raised by me. The point I was raising was that the document was not made available to members of the House of Commons who would be expected to deal with related matters in the budget debate later today. He confirmed that in a later statement, when he said that if we would go to his office he would now, as minister, make available to us copies of the document.

An hon. Member: That is not what he said.

Mr. Pearson: That is what he said.

Mr. McIlraith: I understood the minister to say he was making it available to any member who went to his office. That is my understanding of his remarks.

Mr. Benidickson: "Come and beg for it".

Mr. McIlraith: I think he would be quick enough to correct me if I am wrong about that. My point of privilege is this. I know the Minister of National Defence is not understanding this, but perhaps I may continue to state it. The point is this, that it is not the obligation of any member of the House of Commons to have to go as a puppet to any minister of the crown to obtain public information that should be of record. The document should have been available.

Mr. Speaker: The hon. member for Ottawa West has raised as a matter of privilege an alleged breach arising out of facts which are

known to the house and which I need not repeat. This matter has been discussed; I have invited discussion on both sides because it is an interesting point.

The house is always jealous of its right to hear information and to have information from the government first and before others, and conceivably a matter of privilege might arise in circumstances where information had been withheld from the house.

Main estimates are tabled and a motion, which is not debatable, is made to refer them to a committee concurrently with the tabling of the estimates. The Minister of Finance has given in confidence, as I understand it, to the press a summary or statement of the contents of the estimates for release only at the time the estimates are tabled.

If there is any matter of privilege it is whether the Minister of Finance had any right or is offending the privileges of the house in giving the press that information in confidence, in summary form, in advance.

In the absence of any clear precedent and in the absence of any motion I think the matter might rest there. I do not find a prima facie right on the part of the house to insist that the government, when it tables the full information, shall not give a summary of it to the press; and, as I have said, there is no motion in this respect. If the hon. member wishes to present a motion I will give further thought to it; because it is important, as are all matters of privilege affecting the rights of members of the House of Commons. But I think it has been sufficiently discussed and might be left at that point, if hon. members agree.

Mr. Fleming (Eglinton): Mr. Speaker, may I say one thing, because otherwise there is likely to be a misapprehension remaining on the record regarding what was said by the hon. member for Kenora-Rainy River. I might say that on making inquiry I am informed that the practice which has been observed today is the practice that existed before I became Minister of Finance and which has been followed in the past. It was never the practice to give advance notice of these estimates or statements to the Leader of the Opposition or to anyone on the opposition side. That is not and has never been the practice. I have simply done in all respects today what has been done by my predecessors, both in making a copy of the estimates and a summary available to the press gallery in secrecy and in confidence, and in making the estimates available to hon. members when I did.

Mr. Pearson: May I ask the Minister of Finance if he is aware of the fact that the figures for expenditures shown in the estimates appeared in the local press, which went on the street before 2.30 this afternoon, with the total amount in print before the estimates were tabled in the House of Commons?

Mr. Fleming (Eglinton): No, I am not aware of that, and I would want a good deal more corroboration of that statement before I would be prepared to assume that there has been any breach of secrecy in this respect. The release time which was given to the press gallery was the moment of my tabling these estimates in the house, and I would be very reluctant to believe for one minute that this information was given out by any member of the press gallery in any public form before I tabled it here this afternoon.

The Leader of the Opposition has sent me a copy of the Ottawa *Citizen*, which is the same newspaper that had an advance copy of a speech made in the house last session by the hon. member for Trinity (Mr. Hellyer). I may say that this statement appearing in the Ottawa *Citizen* does not bear out at all what the Leader of the Opposition has just claimed in respect of it. It is headed by the following words: "Fleming Presents Estimates for '61", and continues:

> Record estimates for the 1961-62 fiscal year to begin April 1 were presented to the commons today by finance minister Fleming.
>
> Government spending in the current fiscal year, ending March 31—

That is not the present estimates; that is not the year in respect to which I tabled the estimates this afternoon.

> —is already estimated at nearly $6 billions, and indications in today's main estimates for the next fiscal year point to an even higher figure.

As hon. members will note, it does not give the figure. This article is obviously conjecture in which anyone could have indulged, in advance of the release of the actual figures. Therefore I say this, Mr. Speaker. Not only has the Leader of the Opposition drawn a red herring here this afternoon, but these aspersions which he has cast on the Ottawa *Citizen* and its representative in the press gallery are contemptible.

Some hon. Members: Hear, hear.

Mr. Benidickson: Mr. Speaker—

Mr. Speaker: Order. We were dealing with the business which arises on the calling of orders of the day. The Leader of the Opposition asked a question, and the Minister of Finance has given his reply. Was the hon. member for Kenora-Rainy River rising to ask a supplementary question?

Mr. Benidickson: Yes, Mr. Speaker. I was about to ask the Minister of Finance, who has before him the Ottawa publication—

Some hon. Members: The *Citizen*.

Mr. Benidickson: —at this hour of 2.45—3.15, I guess it is—whether or not the article does disclose the fact that the estimates involve an increase of $383 million as compared with last year?

Mr. Fleming (Eglinton): The article is short, and I think, now that this question has been raised in serious form, that the whole of it should be on the record. It is headed: "Fleming Present Estimates for '61" and it says:

> Record estimates for the 1961-62 fiscal year to begin April 1 were presented to the commons today by finance minister Fleming.
>
> Government spending in the current fiscal year, ending March 31, is already estimated at nearly $6 billions and indications in today's main estimates for the next fiscal year point to an even higher figure.
>
> The commons awaited the estimates with a great deal of interest to see if they indicate how Prime Minister Diefenbaker is going to make good on his "you ain't seen nothing yet" promise of last fall.
>
> Main estimates tabled for the current fiscal year were $5,740,168,920, but these have been brought by supplementaries to over $5.9 billion. More supplementaries are likely.
>
> There is likely to be a cut in estimates for defence, but whether this will be sufficient to overtake the increased spending on other accounts is doubtful.
>
> In any case, the main estimates tabled today for the next fiscal year are certain to have many millions more added through supplementaries before the year ends.

That is the entire article. It does not contain any statement of fact in relation to the contents of the main estimates for 1961-62 which I tabled this afternoon, and I think the Leader of the Opposition owes an apology to the members of the press gallery for his insinuation.

Some hon. Members: Hear, hear.

Mr. Speaker: The suggestion that there should be an apology seems to me to be unwarranted. There was no reflection on the conduct of the minister except in so far as it was implied in the question of the privilege of the house which was raised earlier. As far as any statement affecting the press is concerned, this is not a matter where one hon. member has the right to ask another to make an apology.

Mr. Fleming (Eglinton): I was not suggesting that the Leader of the Opposition necessarily owes an apology to the house if he does not choose to make one, but I think he owes an apology to the press gallery.

Mr. Speaker: That is what I understood the Minister of Finance to say, and to my mind it would not be proper to suggest in answer to a question that the Leader of the Opposition should apologize to anybody other than a member.

Mr. Pearson: May I ask the Minister of Finance a question? Does the minister consider that the words "record estimates... were presented to the commons today" to be a statement or a conjecture?

Mr. Fleming (Eglinton): It was known, I think by all that these estimates were to be tabled this afternoon. The members of the press gallery, knowing that the government carries out its engagements, in my opinion were not doing anything unusual in saying that the estimates were tabled in this house this afternoon.

Beyond that, the article, in so far as it purports to say anything about the 1961-62 estimates, is purely conjectural and nothing else. The Leader of the Opposition at one period in his life was clear enough mentally to see these things.

EDIBLE OILS—INQUIRY AS TO TARIFF BOARD HEARINGS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort): Mr. Speaker, I should like to direct a question to the Minister of Finance arising out of the announcement the minister made in the baby budget to the effect that the government is going to direct the tariff board to examine the low tariff on edible oilseed and vegetable oils.

Have instructions gone out to this effect and, if so, will hearings be held by the tariff board? Are these to be public hearings open to anybody interested in this matter, or will attendance be by invitation only?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, in accordance with the statement I made in the house on December 20 in introducing the budget I did direct a reference to the tariff board. The reference was directed by a letter to the chairman of the board dated January 3. The board in accordance with its usual practice has, under date of January 11, given notice of these hearings and has sent the notice to all persons of whom the board has any knowledge who might be interested in the hearings. If there are any other persons or organizations who might be interested the board would be only too pleased to be made aware of them, because in such matters the desire of the board is that the notice of the reference be brought to the attention of everyone who may be interested in the hearings.

I have before me a copy of the notice signed by the secretary of the board, dated January 11. The notice quotes my letter to the chairman directing the reference to the board and states:

> In a later notice the board will announce dates and places for public sittings to be held for the

purpose of receiving representations from interested parties and dates for the filing of proposals and submissions.

No written submissions should be made to the board until dates of public sittings are announced and directions are given on the filing of proposals and briefs.

In the meantime, all who may desire to receive further announcements regarding reference No. 131—

That is the present reference. I continue:

—and who are not already on the board's mailing list should communicate with the undersigned.

I hope that course will be followed by all interested persons and organizations.

As to the date of the public hearings, I cannot be at all specific in that regard. The board already has a substantial volume of work on hand, but if parliament is willing to pass the measure of which notice now stands on the order paper—the bill to amend the Tariff Board Act to enlarge the board so that it may begin to sit in two panels simultaneously instead of one—this will be of very great assistance to the board in expediting the commencement of the hearings on reference No. 131.

DEFENCE PRODUCTION

CANADA-U.S.—INQUIRY AS TO REPORTED AIRPLANE EXCHANGE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has his attention been called to a statement in the press to the effect that the Canadian government plans to push through a proposal whereby the United States will purchase 32 CL-44 transport planes from Canadair Limited in exchange for the Canadian purchase of 66 United States Voodoo jet interceptors for the R.C.A.F.? Has he any comment to make on that statement?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I have not seen this particular press report, and I have no comment on it.

[*Later:*]

Mr. Chevrier: Now that the Minister of National Defence has had an opportunity to look at the press release which I referred to in my earlier question, I wonder whether he would care to comment on the statement of the proposed exchange of the CL-44 and the Voodoo jet interceptor?

Mr. Harkness: Mr. Speaker, I think the hon. member is well aware of the fact that it has never been the practice in this house to comment on speculative articles in the press.

Mr. Chevrier: A supplementary question, Mr. Speaker. Have the officers of the Minister of Defence Production been in contact with the United States authorities relating to an exchange between Canada and the United States of the Canadair CL-44 transport plane on the one hand and the Voodoo interceptor on the other?

Hon. Raymond O'Hurley (Minister of Defence Production): Not recently, Mr. Speaker.

TRADE

IMPORTATION OF FRUIT AND VEGETABLES FROM CUBA

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce arising out of an article in today's *Globe and Mail*, in which the secretary of the fruit and vegetable growers' association of Ontario is reported to have said that the biggest club hanging over the market now is shipments starting to pour in from Cuba, and that the association feels that the Cuban goods are a government subsidized deal. Can the minister inform the house in what form the Cuban deal has been subsidized by the Canadian government?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, because of the talking which was going on in the house I had a great deal of difficulty in understanding the hon. member's question. Perhaps I might take it as notice and answer tomorrow.

EXTERNAL AFFAIRS

REQUEST FOR REPORT ON WASHINGTON DISCUSSIONS

On the orders of the day:

Mr. Arthur Smith (Calgary South): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether, following his conversations with the United States administration yesterday, he is able to make any report to the house on those conversations; and perhaps at the same time he might indicate, if he can, whether the government is prepared to announce a national oil policy for Canada.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, yesterday, as the house knows, my colleague the Minister of Finance and I visited Washington and had a very full and useful discussion with four members of the new administration; the secretary of commerce, Mr. Hodges; the secretary of the treasury, Mr. Dillon; the secretary of the interior, Mr. Udall and the under secretary of state for commercial affairs, Mr. Ball. The discussion ranged over a variety of subjects, including oil and other matters of interest to both governments.

The Minister of Finance and I were both much impressed by the very high calibre of the members of the new administration, and came away convinced that the very warm and friendly personal relationship that had been built up during the past three and a half years with the previous administration will be maintained, which will be beneficial, of course, to both governments.

Hon. Paul Martin (Essex East): May I ask the Minister of Finance whether he has a supplementary statement to make in addition to that made by the Minister of Trade and Commerce.

Hon. Donald M. Fleming (Minister of Finance): Only this, Mr. Speaker; that the visit to which my colleague has referred afforded an opportunity to raise the question as to when the next meeting of the continuing Canada-United States joint committee on trade and economic matters might be held. The last meeting was held in Washington in 1960, and we extended an invitation to the members of the United States administration to meet with us at an early date. They received the suggestion very cordially, and we expect to have arrangements made soon for the holding of the next meeting of the committee.

[*Later:*]

Mr. Smith (Calgary South): Mr. Speaker, I asked a two-part question of the Minister of Trade and Commerce, and I wonder whether he would be good enough to indicate whether the government is yet in a position to announce a policy for the marketing of oil in Canada, and whether this will be done before the end of the month.

Mr. Hees: Mr. Speaker, I expect to be able to announce something in this regard to the house in the not distant future.

(Translation):

TRANS-CANADA HIGHWAY

QUEBEC—INQUIRY AS TO REPORTED CHANGE OF ROUTE—CHANGE IN LAY-OUT

On the orders of the day:

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, I should like to direct a question to the Minister of Public Works.

I regret not having sent notice of this question to the minister but I am sure, because he knows his department quite well, that he will be able to answer it just the same.

Could the Minister of Public Works (Mr. Walker) inform us of the contents of the telegram he sent to the minister of highways in Quebec concerning the change in lay-out of the trans-Canada highway through Vaudreuil, as announced in the newspapers this morning?

(Text):

Hon. D. J. Walker (Minister of Public Works): I have not read any such article, Mr. Speaker, but I shall be glad to accept the question as notice.

(Translation):

Mr. Bourbonnais: A supplementary question, Mr. Speaker. Is the minister able to confirm that the proposal now made by the province would mean a saving of $500,000 for his department?

(Text):

Mr. Speaker: Order. I understand the hon. member's question to be more a matter of information, and scarcely supplementary.

(Translation):

[*Later:*]

FEASIBLE CONSTRUCTION OF A TUNNEL INSTEAD OF A BRIDGE IN EASTERN MONTREAL

On the orders of the day:

Mr. Georges Valade (St. Mary): Mr. Speaker, I should like to ask the Minister of Public Works a question which, I think, is more sensible than the one asked by the hon. member for St. Denis (Mr. Denis).

We read in this morning's newspaper *Le Devoir* that the trans-Canada highway project calls for the building of a bridge east of the Jacques Cartier bridge, in Montreal. Could the minister tells us whether a final agreement has been reached on this between the federal and provincial governments?

If not, could he consider the suggestion previously made in this house to build a tunnel instead of a bridge at the chosen location?

(Text):

Mr. Walker: I have not read *Le Devoir*. I shall be very happy to look into the matter suggested by the hon. member.

HISTORIC SITES AND MONUMENTS

YUKON—MAINTENANCE AND OPERATION OF "S.S. KENO"

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a perfectly straightforward question to the Minister of Northern Affairs and National Resources. Has the sternwheel steamer *Keno* now at Whitehorse in the Yukon been designated as a national historic monument by the historic sites and monuments board, and, if so, is the board accepting full financial responsibility for its preservation and maintenance?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): It is true that on the advice of the historic sites and

monuments board the *S.S. Keno*, now at Dawson city, has been declared to be a national historic site. Negotiations are under way with the municipality at Dawson for the maintenance of the *Keno* and its operation as an historic museum.

TRANS-CANADA AIR LINES

INQUIRY AS TO EMPLOYMENT OF PILOTS LAID OFF

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport and ask whether T.C.A. has made any provisions to find employment for the 104 pilots the company plans to lay off this year because of the change-over to its new jet services, and how many of them will find employment.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on December 14 last I explained to the house how T.C.A. was going about the laying off of these pilots. As the hon. member said, the lay-off has been brought about because of the switching over from one type of plane to another.

Management of T.C.A., the Department of Transport and I personally are extremely sorry at the laying off of these excellent pilots, who have rendered such great service to aviation in Canada. However, as I explained at the time, T.C.A. has established a laying off procedure so as to ease as much as possible the displacement that will occur following the lay-off. Also, every effort and energy is being expended by the management of T.C.A. to find employment for these pilots. At the present time I do not have figures as to how many have found jobs, but I saw in this morning's paper that some other air lines have been hiring a few of these pilots. I know that it is unfortunate that these pilots have to go outside the country to find employment, but on the other hand it shows that Canada at the present time has the best trained and most competent pilots in the world.

Mr. Chevrier: May I ask a supplementary question, Mr. Speaker, and inquire whether any consideration has been given by T.C.A. to using a crew of three pilots in their jet service, as I am informed foreign air lines are doing?

Mr. Balcer: I could not say exactly, Mr. Speaker, but I am sure that solution must have been explored. In any event I will check with management and report back to the house.

[Mr. Dinsdale.]

NORTHERN AFFAIRS

NORTHWEST TERRITORIES—DECISION OF COUNCIL RESPECTING DOCTORS AND DENTISTS

On the orders of the day:

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, yesterday the Leader of the Opposition directed a question to the Prime Minister in which he asked whether the Prime Minister's attention had been called to the decision of the Northwest Territories council, as reported in the press, that it cannot afford the program aimed at recruiting badly needed doctors and dentists for the northland. The hon. member asked for any comment on the decision, and in view of the fact that the council reports through the Department of Northern Affairs and National Resources I thought I might be allowed to answer.

May I preface my remarks, Mr. Speaker, by stressing that within its spheres of jurisdiction, which are substantially those of a province except for the administration of resources, the administration of the Northwest Territories operates autonomously. The decisions of the council are those of the council and relate to essentially provincial functions. They are not the responsibility of any department of the federal government.

I have consulted the commissioner of the Northwest Territories, and I am advised that the council had before it for consideration, at the session that has just concluded, a plan designed to provide increased public health services in the Great Slave lake region of the territories, and to establish arrangements that would make practice there attractive to doctors and dentists, whom it is now extremely difficult to secure. The plan would have cost the territories $129,000 per year over and above present health expenditures, plus an unknowable amount of added cost for increased health treatment. The council is already budgeting, I am advised, for expenditures of $1,242,600 for health services in 1961-62, and faces a total budgetary deficit of $1,273,398.

In all the circumstances the council decided that it could not, at the current session, adopt the health plan. It did, however, pass a resolution that may be of interest to the house, and if it were the wish of the house I could read the operative part of the resolution:

(a) That it would be desirable, in the interests of the health of children and of people in the territories who are not at present covered by federal health services, to be able to introduce, at as early a date as possible, a plan based on the Great Slave lake health plan with the intention of extending it to cover, as soon as practicable, the entire Mackenzie valley and Mackenzie delta areas;

(b) That it would be reasonable and acceptable to have some part of the cost of such a service

found from the revenues raised within the territories but that it would not be financially practical, in view of the other needs and the circumstances of the territories to raise more than a minor part of the cost in this way; and

(c) That the officers of the territorial administration should do their utmost in the negotiations for the federal-territorial financial agreement for the period beginning April 1, 1962, to urge upon the federal authorities the importance of making provision through an increased grant for adequate health services along the lines referred to.

The financial arrangements between the federal government and the territories involve grants on a five-year basis somewhat along the lines of federal-provincial agreements, but adjusted to the special needs of the territories. Discussions concerning the basis for grants for the period beginning April 1, 1962, are now under way. The problem raised by the council of the Northwest Territories in the financing of adequate health services will be considered in connection with those negotiations.

Lest there be any misunderstanding, may I add, Mr. Speaker, that the council of the Northwest Territories does not have to meet the health costs of Indians and Eskimos in the north. This is a federal responsibility, and so also is the hospital insurance program initiated last year which covers all residents of the territories.

TRANSPORT

P.E.I. CAUSEWAY—REQUEST FOR PROGRESS REPORT

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I have a question I should like to ask the Minister of Public Works. Is the minister in a position to give a progress report on the proposed Prince Edward Island causeway?

Hon. D. J. Walker (Minister of Public Works): No, Mr. Speaker.

Mr. Bourget: A supplementary question. Does the minister intend to give such a report before his estimates are brought down for discussion?

Mr. Walker: Yes, I will, Mr. Speaker.

ROYAL CANADIAN NAVY

RENOUS BASE, N.B.—CHANGE IN HEATING PLANT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. In view of the answer given yesterday by the minister regarding the conversion from coal to oil at the Renous naval base heating plant in New Brunswick, can the minister inform the house why this was done and has he any further information on the subject?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in reply to the hon. member for Cape Breton North and Victoria may I say that the economy realized by the change which I announced in this house yesterday is of the order of $13,000. The amount of coal used under the former system was of the order of only 45 tons. This substantial economy indicates that the change is appropriate.

Mr. Muir (Cape Breton North and Victoria): A supplementary question. I can appreciate what the minister says, but if the change-over has not taken place will he give consideration to investigating whether it may be possible to instal an automatic coal burner?

Mr. Speaker: Order. If there are more detailed questions to be asked I think they might be taken up at the appropriate time, when the estimates are before the house.

HOUSING

STATEMENT OF YEAR END FIGURES ON HOUSING STARTS

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I should like to reply to a question asked by the hon. member for Nipissing on January 18. Our final figures on housing for 1960 show that housing starts in all areas were 108,858, of which 76,687 were in centres of population of 5,000 or more. The completions for the year 1960 number 123,757, and houses under construction at year end were 65,773.

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Public Works. Since this figure of 108,000 is now available—

Mr. Walker: No; 108,858.

Mr. Garland: Since these figures represent the lowest number of starts since 1953, will the minister say whether the government has given any consideration to an early lowering of the National Housing Act interest rate?

Mr. Walker: Mr. Speaker, the government has given consideration to a great many things in the matter of housing. It has instituted a tremendous program which the hon. member knows about, and all other questions that have not yet been dealt with are constantly under consideration by the government.

COMMUNICATIONS

PACIFIC CABLE—STATEMENT ON DIVISION OF WORK

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): On Tuesday last the hon. member for Laurier inquired regarding the cable to be constructed

between Canada and Australia, and how the work would be divided among the participating countries.

I am advised that the construction of the cable will be carried out in the United Kingdom; but subject to prices, quality and delivery all being satisfactory, Canada and Australia will, so far as they are able, supply all materials for the cable production in proportions to be agreed between them, taking into account that ideally those proportions should approximate to 50-50 in terms of value. It is expected that Canadian suppliers will be able to meet these requirements in most cases.

It might be added that the cost of material approximately equals the construction cost.

SPORTS

CANADIAN OLYMPIC ASSOCIATION—SURVEY GRANT

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, yesterday the hon. member for Vancouver-Burrard asked me a question concerning the proposed grant to the Canadian Olympic association in order to assist them in determining the best Canadian site for the 1968 winter Olympic games.

Having somewhat misunderstood his question, perhaps I should say a word in clarification. Such matters as he mentioned, relating to cost and population factors for each of the possible sites, will undoubtedly be considered by the Canadian Olympic association before it decides which site would give Canada the best chance of being selected as the host country for this event. This information had been communicated to me earlier.

HARBOURS

VANCOUVER—SURVEY FOR SECOND SITE

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Could the minister say when his department might be able to undertake the much needed survey to create a suitable second harbour at Vancouver?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, because of numerous requests for a supplementary harbour for shallow draft vessels at Vancouver, the Department of Public Works is undertaking a boring and sounding survey to determine the feasibility of dredging Vancouver False Creek and, as a matter of fact, the survey was started on January 19.

[Mr. Balcer.]

INDUSTRY

PICTOU, N.S.—REQUEST FOR REFIT WORK FOR SHIPYARDS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Transport. My question is based upon a letter received from unemployed shipyard workers at Pictou, Nova Scotia. In view of the unemployment situation in the town of Pictou, has the Minister of Transport had any requests for refit work at the shipyards there and, if so, what reply has he made and what action has been taken?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, we are well aware of the situation at Pictou and we have been working very hard to try to provide work in this shipyard. I am very pleased to say that no later than yesterday treasury board approved the letting of a contract for over $200,000 to the Ferguson shipyard at Pictou.

HOUSE OF COMMONS

REFERENCE TO ABSENCE OF NATIONAL REVENUE MINISTER

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I could ask the Minister of National Revenue if during his absence from the house yesterday he succeeded in unmasking Sir John A. Macdonald?

Hon. George C. Nowlan (Minister of National Revenue): A reply to that question is not necessary, Mr. Speaker.

THE BUDGET

SUPPLEMENTARY FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed, from Tuesday, January 24, consideration of the motion of Hon. Donald M. Fleming (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Hon. J. M. Macdonnell (Greenwood): Mr. Speaker, I have 13 minutes and perhaps a few seconds in which to try to drive home the argument which I began on Tuesday night, that increased aid to underdeveloped countries is an essential element in the battle against unemployment. First I want to say a word about the humanitarian argument although I wish to deal mainly with the economic argument. I think it is a self-evident proposition that if we had before our eyes the starvation, misery and so on of the underdeveloped countries we could not take it.

I support this proposition with a small incident from the first world war. In November, 1918, there was a Canadian battery which had advanced into Germany and which was still living more or less under service conditions, with the men getting their rations out-of-doors. A friend of mine who was an officer in the battery told me about this incident, and he made the remark that the men were, of course, short of food. I said, "Did the rations not come up?" He said, "Sure the rations came up, but the blockade was still on and when the men were eating their rations out-of-doors each of them had a group of hungry German children around him". He said, "The Canadian soldiers couldn't take that, of course, and the result was that the children got the food". I suggest that perhaps this is the kind of thing we can all understand.

I want to say a word also about the question of economic independence and political independence. The free nations have assisted the underdeveloped countries along the path to political independence in wholesale fashion, but help is still needed for them to obtain economic independence and there is great danger that if economic independence does not come about, political independence will perish too. I quote from a statement used by Chester Bowles, who is now in a key position in the United States. He is referring to what an Indian statesman said to him about four or five years ago. These are the words:

Our ability—

The ability of India.

—through democracy to surpass, or at least equal, China's development under a dictatorship will determine our ability to survive as a free nation, and if we fail, Asia goes too.

Chester Bowles goes on to say:

He was right, for on the Asian stage, where half the human race is seeking a quick solution to the problem of economic development with Africa and South America looking on, communist China already serves as the contrast and, in a grim sense, as the criterion for economic progress in India.

I come now to the economic argument. I think one may say there is agreement on all sides that increased trade, that is increase of international trade, is the final solution to unemployment, and that the greatest opportunity for increased trade lies in increased buying power in underdeveloped countries. I think there is no reason to believe that in the face of European, American, Japanese and communist competition we should expect to get a larger share of the present cake, so to speak; that is, of the present amount of international trade. Trade has got to be increased. Aid means trade, and one thing I want to underline is that aid means Canadian employment.

I gave an illustration the other night of the Colombo plan, where of a $36 million gift proceeding from Canada 95 per cent was represented by Canadian employment. That is what we mean when we talk about aid. I also quoted the president of the Imperial bank who called for "boldness and imagination in our approach to foreign aid". I quote another high authority in the business world:

We need the export stimulus of foreign aid in the short run and the good will and the markets it will mean in the underdeveloped countries as they grow and prosper in the long run.

There are favourable signs of increased assistance from the United States. There is the two edged remark I quoted the other night from the new president:

If the free society cannot help the many who are poor, it can never save the few who are rich.

I repeat that I think there is no reason to believe that we can fully deal with unemployment unless we can substantially increase the amount of international trade, and the obvious way to do that is to bring up the level of the underdeveloped countries.

In this connection I want to take the example of India. India is in some ways very discouraging; I know that. Nevertheless, we have the opinion of that internationally famous economist and world traveller, Barbara Ward. She says that in relation to the whole Atlantic world India stands caught in something of the same position as Western Europe in 1947. She explains that the European nations had done a great deal to restore their own position, but were absolutely at a standstill because of the need of foreign exchange. This was supplied by the Marshall plan. Barbara Ward goes on:

India stands caught in something of the same contradiction. Years of effort have set its economy in motion as never before, but for further expansions the essential component of foreign exchange is simply not available.

She says further, speaking of the attitude of the west:

—the kind of sustained decision underlying the Marshall plan—the decision to see the effort through to success—has yet to be made.

Now, the question will be asked, is the western world not doing enough? The answer is no. Mr. Hoffman, that great international servant, says that the result in the 1950's was disappointing. There was only a gain of $15 to $20 in per capita income in the one hundred less developed countries. The average increase in the western nations during the period, 1950 to 1957, was approximately $300, as against that small amount of $15 to $20 in the underdeveloped countries. In the United States it was $530. Speaking of this, Hoffman says that it is quite all right for

the rich to get richer but disturbing and distressing to have the desperately poor people remain desperately poor.

I want to give one further figure here. The average per capita income in Canada in 1959 was $1,507, as compared with $110 in the underdeveloped countries in 1950, rising to $125 or $130 in 1959.

The question is, can we afford to do more? What is our present contribution measured in what we might call topical terms? Mr. Keenleyside, a former United Nations official and now president of the B.C. power commission said, jocularly but accurately:

> The cost of the Canadian contribution to the Colombo plan is less than half the cost of cosmetics purchased annually by Canadian women.

The easy way out of this situation, and it is being put forward by many people, is to find the money by reducing defence expenditures. This is a very attractive solution. I wish I could put that forward as my solution, but I am not prepared to base my suggestion on that. As we know from the experience of Mr. Gaitskell, the leader of the Labour party in England, the responsibility of laying ourselves open to the communists is something serious men will have to consider very seriously. I have to fall back, therefore, on familiar words.

> This ought ye to have done, but not to have left the other undone.

In other words, I believe we have to do both. If this argument of mine is sound—and it is an argument that has been advanced by abler, wiser and more experienced men than myself—then we have to do both. The excuse is often advanced that we are a small country. We are not so small as all that. Moreover we are not in the habit of saying we are small. We often say that we are very big. We often say we are the third or fourth trading nation, and that is true. In addition to this, our example would be very effective in the United States. We have reason to believe the United States is going to do a great deal more about this problem. Further action by us would have a significant effect there.

No one will deny the validity of these three arguments. I am sure no one will dispute the humanitarian argument, the political argument or the economic argument. In so far as the political argument is concerned, I want to read a short sentence which I forgot. I have here an article by Malcolm Macdonald recently back from India, where he spent years as Britain's representative, speaking of India and other Asian nations whom he described as non-aligned. The article reads in part as follows:

> It is vital to the interests of the free world that these nations should not slip over to the communist side. The issue is in the balance; it is at present uncertain whether the non-aligned Asians will move closer to the western camp or go communist or remain strictly non-aligned. If the west does not show adequate sympathy and give sufficient help to them, they will drift into the communists' arms, which are outstretched to give them a comradely, if suffocating, hug.
>
> In either case the balance of political power in the world may be vitally affected.

The question remains, then, not whether we accept these arguments but whether we take them seriously, whether we are prepared to do anything about them. It may be that there is a different spirit abroad. It may be that we will develop some of the boldness and imagination for which the president of the Imperial bank calls. It may be that we shall take seriously what the Prime Minister said:

> Economic assistance to underdeveloped countries is a major and mandatory need if freedom is to be preserved in the world.

If my argument is right, and I am following those who have thought so much about this problem, I would go on to say, do not let us miss the bus. People say, can we afford it? I use the argument which was used when we were considering a loan of a billion dollars to Britain in 1946. The argument was made then that the question is not whether we can afford to do it. The question is whether we can afford not to do it. This argument was accepted then and was triumphantly successful.

I would close by saying that we cannot leave everything to the government. Public opinion has to support the government. The other night the Secretary of State for External Affairs at a meeting in Toronto found slight evidence of support in public opinion on this question. I venture to say to those who create public opinion, the churches, the universities, the labour unions, chambers of commerce, farmers' organizations, the Canadian Manufacturers' Association: think on these things and reach your conclusions, then act accordingly. You cannot leave everything to the government. I close with the words once used by Lord Lothian, whom Churchill called the greatest ambassador to the United States, and who once said in a speech in the United States:

> Under a democracy, the responsibility comes squarely down on the shoulders of every one of us.

I say, therefore, to the Canadian people, accept that judgment and act accordingly.

Hon. Paul Martin (Essex East): In the last day of the debate on the budget, Mr. Speaker, I think it would be fair to say that much of the criticism that has been levelled against the budget by the Liberal opposition has been confirmed by the criticisms made by corporations, individuals and institutions all

over the country. Only the other day there came across my desk a newsletter containing the views of a well known investment company in Montreal, the Jones Heward & Company. It is headed, "The Outlook for the Canadian Economy", and is dated January 12, 1961. On page 2 there is the following reference to the so-called baby budget:

> It is curious that the December budget was almost void of measures to combat unemployment which could reach 12 per cent of the working force in the winter months of 1961. In this respect, this was "an emergency budget without emergency measures", and under the circumstances, difficult to rationalize.

Then on the third page of this interesting analysis of the economy of the nation, in the second paragraph, the report points out:

> The budget raised more questions than it answered. It had anything but a settling effect on the bond market, many foreign investors regard the measures as only the beginning of things to come, and residents are disappointed that no positive action was taken to support business and arrest unemployment. It makes any forecast of the spring budget uncertain at best.

As we know, many views have been expressed as to why in fact, in view of its contents, the Minister of Finance brought in any budget at all at this time. The budget will be noted, I think, not so much for what it says but for what it does not say; not so much for what it does but for what it fails to do.

I think one good example of the latter was the nature of the reply given to the hon. member for Laurier by the Minister of Finance when the former asked what were the depressed areas in the country that the government had in mind in connection with its proposal for a double depreciation allowance for industries settling in depressed areas as an aid to unemployment. The Minister of Finance said, that, of course, he could not give a reply to that kind of question until all matters having to do with the budget in this house had been dealt with.

I want to take issue with the Minister of Finance. The Minister of Finance, in the announcement he made—in the only announcement that had any direct bearing on conditions of unemployment in this country, namely that of a double depreciation allowance for industries settling in depressed areas, as an aid to unemployment—should have accompanied the announcement of that policy with the definition that the government would require and insist upon in regard to the phrase "depressed area".

Mr. Fleming (Eglinton): Would the hon. member permit a question?

Mr. Martin (Essex East): At the end of my speech. I only have half an hour.

Mr. Fleming (Eglinton): Mr. Speaker, I rise on a point of order. The hon. member is attributing to me the use of an expression about depressed areas. I say that he will look in vain for any such expression in my budget speech.

Mr. Martin (Essex East): That is not a point of order.

Mr. Fleming (Eglinton): It is a point of order. You have misquoted me.

Mr. Martin (Essex East): The hon. gentleman has a happy faculty of trying to make his own speech when somebody else has the floor, and that will not happen in this instance. I say that the Minister of Finance should have told the country and the house what were the depressed areas to which this announcement would apply, and what would be the requirements before an area could qualify as a depressed area. I say that because the only reference in the budget—by implication, not directly—to unemployment was this particular provision, as a means of assisting in the relocation of industry or in the encouragement of existing industry to stay in a depressed area.

This conceivably, depending on the details of the policy, could be of very great help in the alleviation of unemployment in a particular district. So the Minister of Finance now, before this day is over, should tell the house what are the depressed areas that the government has in mind, and what are the definitions of a depressed area that the government purposes to have applied to this particular policy. We should know, for instance, what percentage of the labour force has to be unemployed for an area to be considered depressed. There is no difficulty in the government giving us this information, if it has settled on the criteria; and if it has not, it would be most unusual for the government to make an announcement of policy without having carefully considered all the factors involved.

Someone points out that the Minister of Finance will not be speaking again. In that event I hope that the Prime Minister or someone else who will undoubtedly have a word to say will be authorized by the Minister of Finance—as the Minister of Trade and Commerce was authorized today to speak about the conference in Washington—so that we will know exactly how we are to judge this particular provision.

The minister has very good precedents before him. There is now before the 87th congress of the United States a bill to alleviate the problem of economically depressed areas. That bill represents the determination of the new administration, in office only a

few days, to tackle a problem to which we have been urging this government to address itself for three years now. Then there is, of course, the practice in the United Kingdom. So I say to the Minister of Finance that before this debate is over we should know what are the depressed areas that the government has in mind. We should also know what will be the requirements in order for a particular community or area to constitute itself into a depressed area, to take advantage of this double depreciation provision.

The United States department of labour lists 99 areas in the category of "substantial and persistent labour surplus". What they have done there we can do here, and what they have done there quickly we should at long last, if we are going to do anything about this serious problem of unemployment, do at the earliest possible moment. This debate will terminate today, but all matters having to do with the budget will not be completed for possibly another month. Two months will have gone by during which municipalities and corporations could easily have made preparations to take advantage of what could be a very constructive way of dealing with this problem of unemployment.

The operative criteria in the United States for determining what is a depressed area is about 6 per cent of the labour force unemployed over a specific period of time. In Britain the criteria is between 4 per cent and 5 per cent. If we were to apply those criteria to this situation of course the whole of Canada would be a depressed area, because unemployment in our country now reveals the fact that 8.2 per cent of our labour force is unemployed.

Therefore I say to the Minister of Finance, if this government really wants to make a constructive contribution to the alleviation of unemployment let it address itself at once to the request that I make today. Otherwise we will be justified in saying to this government that it has announced a policy the value of which will be effective, if at all, only in the long term, just as the Vocational Training Act, just as the Productivity Council Act, just as the so-called small business act were all designed to deal with the long term, although the impression has been created and will continue to be created that they represent part of a vigorous campaign on the part of this administration to deal now, not tomorrow, with the problem of unemployment.

If the Minister of Finance wishes to give the house any indication of the government's concern for unemployment, let him not delay any longer in meeting this particular request. Let the government name the depressed areas. Let us have all the definitions required, so that municipalities and industries can take the necessary steps to collaborate with the government in providing relief against unemployment which continues to grow day by day, as the figures of the government itself reveal.

There is one other matter with which I wish to deal. It is one of those matters not referred to in the budget but which has a corollary relationship to the problem of unemployment, a problem which I think should have been mentioned in the budget. This has to do with the state of the unemployment insurance fund.

It will be recalled that the day before we adjourned for the Christmas recess I asked the Minister of Labour if he would table the report of the advisory committee of the unemployment insurance commission, following the meeting that was held by that body in October last. The Minister of Labour said the government had not yet studied the report, and until such time as it had studied the report it could not be tabled. We adjourned the following day at six o'clock, and we were informed by the newspapers and the radio at about seven o'clock that night that in a clandestine way the Minister of Labour, in the dying hours of the last day, had tabled the report which I had asked for the day before. He did not tell the house that he had tabled the report, and consequently it was not possible for speakers on this side, discussing the budget on the last day before adjournment to make any reference to this report. But the report is a significant document, and I am sure it will be read by every worker, every employer and every responsible Canadian, because it reveals the perilous condition which faces this trust fund. It is a trust fund; it is not a government account but a trust fund contributed to by the employers and employees of this country to the extent of 80 per cent, the contribution by the government of Canada on behalf of the Canadian taxpayer being only 20 per cent.

This device of the Minister of Labour, this slick trick in handling a report of great consequence in such a way as I have described, is not new. This is not the first time such a device has been used when information of this kind has been presented. The same practice was followed by the Minister of Labour in the dying days of the last session of parliament. A few days before parliament prorogued last August we asked for another special report of the advisory committee of the unemployment insurance commission. We

were told that the government had not yet considered that report. Then in the dying hours of the last day of that session the Minister of Labour tabled the report in the same way by handing it to the Clerk of the House. Parliament was thus denied the opportunity of knowing its contents, and participating in debate based on its recommendations and commentary.

This clearly reveals one thing; that this government does not want a full disclosure made of the situation which presently confronts this fund. Why did the Minister of Finance himself not make reference to the financial state of this fund? He has an obligation, a duty as Minister of Finance to make a review of the financial situation in the country in all its aspects, particularly at this time; because we are told in the speech from the throne that the government intends to bring in amendments to the Unemployment Insurance Act to deal, among other things, with the financial state of the fund.

If I may make any suggestion to the Minister of Finance, may I say that I trust whatever he proposes to do will be done by way of replenishment of that fund from the consolidated revenue fund itself, for reasons I intend to indicate. In that event, unless no act is going to be done before the end of this fiscal year, there can be no justification whatever for the Minister of Finance not having referred to the state of the unemployment insurance fund in his budget speech.

It is interesting to note that the Minister of Finance said in his budget address that instead of a promised surplus of $12 million there is now to be a deficit of $285 million. I am going to suggest to the minister that the deficit next year, if he does what he should do about the unemployment insurance fund, will be not less than $425 million. If the recommendations of the advisory committee are followed, at least $137 million has got to be transferred from the consolidated revenue fund in order to give the government the opportunity of living up to its contractual obligations to the unemployed workers who are beneficiaries of the unemployment insurance fund.

This special report tells us some very significant facts, and since the Minister of Labour has not told us about them, and since the Minister of Finance has not discussed them in his budget speech, it falls upon us in the Liberal opposition to comply with an obligation which clearly under our form of government belongs to the Minister of Finance and his colleague. The report points out that as of September, 1960, there was $319.5 million in the fund. This figure represents the book value of securities held. The advisory committee recommends that this amount be reduced by 8 per cent in order to allow for the loss on the sale of securities between October, 1958 and September 6, 1960. The report points out that the fund has had to absorb a loss on the sale of securities of close to $28 million. I point out again that this is money which belongs to the workers and the employers of this country, not to the people of Canada as a whole; and I make the statement now—one which should have been made by the Minister of Finance in his budget speech—that since this government came into office there has been an actual loss to the unemployment insurance fund of some $50 million, a loss to those two segments of the population who are the main contributors to the fund.

We are entitled to ask the Minister of Finance how this fund is to be replenished. Has the government arrived at a policy? We were told last session by the Minister of Labour that the unemployment insurance commission had made recommendations, that these recommendations were made last spring. If that is so, why did the government not bring in legislation before Christmas so that a committee of this house could be convened to examine the bill in order to determine whether the provisions recommended were satisfactory? Such a committee could not only have examined the financial situation and the proposed amendments to the act; it could also have considered the means by which so much financial loss might be repaired and the other proposals which no doubt would have been made. I venture the suggestion, that because of the way in which the business of the house is conducted by this government we shall reach the perilous period of the end of May with precious little, if anything, done about these amendments to the Unemployment Insurance Act. Possibly nothing at all will have been done about means to replenish the fund.

The fund, to remain in existence, must be replenished according to the advisory committee, from the consolidated revenue fund in the amount of $131 million. But this minimal amount will only reimbure the fund for the direct losses it has incurred through the forced sale of securities and in paying abnormal seasonal benefits and payments to fishermen. So we should like to know from the Minister of Finance the answer to this question. How are payments being financed at the present time? Are they being financed through the sale of securities and, if so, what losses are being realized? Are they being financed by the government, and what effect will this have for, say, the months of November, December and January? Am I right

in assuming that the unemployment insurance commission has not been selling its securities in recent days.

These are important questions, questions which the Minister of Finance cannot dodge and must not be allowed to dodge during the course of this very day if he is to be fair to the workers of our country, who are greatly concerned about the opportunity that will be available to them after May or after June next if they are to take advantage of contractual rights which they possess for maintenance assistance under the terms of the Unemployment Insurance Act.

The whole story of this fund during the period this government has been in office reflects the inept way in which the government has conducted its affairs. We know that in December, 1956 the fund amounted to $921 million. We know also that in May, 1960 it stood at $296 million. Here is what the advisory committee had to say in the report clandestinely laid on the table just before Christmas without the house knowing anything about it:

> It is not safe to estimate that the fund will have a balance greater than $140 million to $150 million at the end of March 1961, and should unemployment be higher than last winter the fund may well be lower than the figures mentioned.

The report further states, and I ask the Minister of Finance to bear these words in mind:

> By the end of May 1961 the fund will possibly be as low as $85 million and certainly at a most unsafe level.

This government has no apprehension about this matter at all. I say that by the end of June, unless the government acts, there will be nothing whatever left in the fund. That is obvious when you consider that the fund stood at over $900 million in 1956 and that it now faces the possibility, according to the report, of being practically depleted at the end of May. Surely one is justified in saying that this government shows a reckless regard for the implicit trust laid upon it to protect the integrity of this fund and the workers of Canada.

The Prime Minister and his colleagues brag about the magnitude of the drain on the fund. For instance, when speaking over television on September 21, 1960 the Prime Minister said:

> —we have taken action to implement that statement by providing new jobs and by making possible the largest increase in social justice payments to individuals, including unemployment benefits, in any comparable period in the history of this nation.

I ask the Prime Minister what these unemployment insurance payments have to do with his new concept of social justice and the present government of Canada. I repeat that the money paid out of the fund is not money that belongs to the government of Canada. It is money it holds in trust for two groups, who are the main contributors. To take credit for this as a new demonstration of its interest in social justice reveals the character of this government and its real concern for the plight of the unemployed.

The Prime Minister in that statement gives us an opportunity to evaluate the tremendous drain on the fund. It is a significant fact that from the time this fund was first created until the former government went out of office, in a period extending over 17 years and ending March 31, 1957, benefit payments under unemployment insurance amounted to $1,458,288,979.24. In three years and eight months, since March 31, 1957 up until the present time, the period during which this government has been in office, benefit payments totalled $1,519,224,628.05, under $100 million more in three years than was paid out in the previous 17-year period. Nevertheless the Prime Minister had the audacity to say on television the other day that the present level of unemployment is not as great as it was during periods of Liberal government. This is an important matter. I call on the Minister of Finance to deal with this matter today if he speaks, or if he does not I ask him to delegate that matter to someone else. I ask him to bring in the amendments to the Unemployment Insurance Act as quickly as possible.

The minister has a responsibility in this matter along with the Minister of Labour. He cannot leave that responsibility to the Minister of Labour alone because it will be his responsibility to replenish the fund, to recommend the policy that will be adopted; and if this matter is not brought before the house at the earliest possible moment, if we wait until May, the government will be denying the workers of Canada and the employer groups a right that is theirs.

I warn the minister now that if he hopes to replenish this fund by the method he employed a year ago he will incur the wrath of the Canadian people and will receive an indictment all over this country. If he proposes to replenish the fund by increasing the contributions of the employers and workers as he did in 1959 he will be placing himself in jeopardy as far as the Canadian people are concerned.

The minister is now in that very insecure position. We have a right to request that this matter be brought before parliament at the earliest opportunity. The Minister of Finance should have seen fit to do so in December. The fact that he did not do so

only shows this government's complete disregard for the serious problem of unemployment that now faces us.

We have criticized the government for its policy on unemployment. We have been accused by one hon. member in this house of employing Hitlerite tactics because we dared to expose the nature of the problem. I regret that the Associate Minister of National Defence should have used the words he did when speaking of the Liberals as Hitlerites and communists, because they were raising the problem of unemployment. I know that that hon. gentleman has repeatedly, in private at least, dissociated himself from the former leader of the Union Nationale, Mr. Duplessis, but I am surprised to see him now using the same tactics and indulging in the same irresponsible accusations and slanders that were used a few years ago by those with whom he said he did not associate. The hon. gentleman did not add to his stature in this house in making those statements.

Instead, those who are playing into the hands of the communists and Hitlerites are members of a government now charged with the responsibility of doing something about this problem, and who will not listen to the concrete suggestions put forward by a group who feel it is their duty to point out the nature of this situation, and at the same time to recommend constructive approaches for the solution of the problem. That is what we in the Liberal party have done. We are not ashamed of having exposed this problem. We are proud of the constructive suggestions we have made, and we ask the government to take note and follow our example.

(Translation):

Mr. M. Deschambault (Terrebonne): Mr. Speaker, I must, in the first place, congratulate the Minister of Finance (Mr. Fleming) for the masterly account he has given the house of the present economic situation.

However, may I say that I regret that no greater changes were made in the way of higher tariff in favour of some industries which I feel have a great effect on our national economy.

Let me refer, in the first place to the rubber footwear industry. As a result of absolutely unfair competition on the part of many European manufacturers and especially on the part of Japanese manufacturers, this industry is on its way out.

Indeed, Mr. Speaker, if we allow Japan to carry on its competition against our own footwear industries, those industries are bound to disappear in the very near future.

In support of those statements, let me quote briefly from a speech delivered in my constituency late last year by Mr. Paul Smith, vice president of the Dominion Rubber Company Limited to the chambers of commerce of St. Jerome, Acton-Vale, Granby and other municipalities.

Needless to say, the alarm sounded by Mr. Smith on that occasion proved practically justified all along the line, and I am very sorry to announce in this house that the Dominion Rubber Company, the main industry of the city of St. Jerome and even of my constituency, had to lay off several hundred employees, then shut down completely by the end of the year.

So that the minister and all hon. members may realize the serious predicament of those industries, may I quote a few figures mentioned by Mr. Smith at that meeting.

May I add that our exports of those products were the first to suffer from foreign competition, and that those conditions began in 1949 and have constantly deteriorated since. May I be allowed at this point, to quote a paragraph from Mr. Smith's speech:

> The following year, i.e. 1950, definitely marked the collapse of our export trade, one which had been established some hundred years. In 1937, for instance, we exported seven million pairs of rubber footwear. Now that volume was practically non-existent in 1950. That year, Canada had to be content to export 384,000 pairs of rubber footwear, most of them of a more specialized type in which foreign manufacturers were not interested, and since then, this very small volume keeps decreasing.

There is, therefore, no doubt that our export market for rubber footwear has almost completely disappeared, perhaps forever.

Apart from that very substantial loss, our Canadian industry had to face a still greater and more acute danger, the arrival on the Canadian market of articles mainly of Japanese origin, at a retail price which was sometimes only a third of our production cost. Competition therefore became quite impossible for our people.

What did we do to help those industries? Again, Mr. Speaker, I shall borrow a paragraph from Mr. Smith's speech, and I quote:

> Since 1955, representatives of that industry have been constantly engaged in discussing the matter with the federal authorities. First of all, there was a special inquiry by a joint committee of representatives from the industry concerned, the union and the government. The following year, the tariff board held a series of investigations and public hearings. A few months later, the board admitted in its report that the industry was, in fact, in a bad way, but no recommendation was made for the government to intervene. Later, there were meetings with cabinet ministers and government officials, and the tariff board launched

another inquiry, this time being instructed by the government to submit recommendations as to what could be done for the industry. Again there was a report. Again the report conceded that the industry was in serious trouble but again the board made no recommendation regarding steps that should be taken, this time because the board seemed to think that any steps advocated to give efficient help to our industry would be of such extraordinary nature that they would exceed its jurisdiction.

If I may, Mr. Speaker, I would like to mention the names of a few rubber footwear manufacturers that gave up the fight, feeling completely out of the running with foreign imports.

In 1950, the Gutta Percha Rubber Ltd. was the first to go under. A little later, in 1951, it was the turn of the Cambridge Company. Two or three years after that date, the B. F. Goodrich of Canada Ltd. closed down its rubber shoe plant; then came the Superior Rubber Co. Ltd., a crown corporation set up by the Newfoundland government, which also had to quit in 1956. And quite recently again, Mr. Speaker, it was the turn of the British Rubber Co., of St. Laurent and Lachine, to stop operations and amalgamate with the Miner Rubber Co., of Granby, in order to be better able to stand up to competition.

I should add, Mr. Speaker, that a few companies kept operating but at great sacrifice and considerable loss. In particular, they had to dismiss many of their workers, which only increased the unemployment problem. So that you may realize the vastness of the problem, I would like to quote more figures. In 1950, the Canadian rubber industry sold 15 million pairs of canvas shoes and waterproof footwear in Canada. That same year, that is in 1950, we imported 280,000 pairs. In 1959, the import figures showed a total of 8 million pairs, as compared to 280 thousand pairs in 1950.

Of course, during this period sales in the Canadian footwear industry suffered a severe slump. Sales figures decreased from 15 million pairs in 1950 to 10 million pairs in 1959, that is one third of its total sales.

In 1950, imports were negligible but in 1959, imports of canvas shoes captured 70 per cent of the entire Canadian market, while that of rubber footwear accounted for 30 per cent of our market. This figure of 30 per cent represents a rapid gain of 11 per cent for 1958 and 1959 alone.

A major cause of concern is the fact that the breaking point for Canadian manufacturers is precisely between 30 per cent and 45 per cent. In other words our modern plants will no longer be able to meet their obligations unless we act promptly and efficiently on behalf of our manufacturers.

I would not want to deal at length with the textile industry, although that industry too has suffered heavy losses because of imports. The precarious situation of those Canadian plants has often been discussed in this house. However, may I point out that the Regent Knitting Mills Ltd., in my district, in St. Jerome, has been forced to discharge more than one third of its employees.

The hon. member for St. Hyacinthe-Bagot (Mr. Ricard), and the hon. member for Sherbrooke (Mr. Allard) have repeatedly told the house of the difficulties facing Canadian textile plants, especially in the province of Quebec.

I know that the government has taken certain steps to help this type of industry, but I must remind the Minister of Finance that the situation of the textile industry is still very precarious. I have it on good authority that for several years many owners of this type of industries have registered substantial annual deficits.

(Text):

I should like to comment on one of the branches of our industry which is also in need of our help, namely the hardwood plywood industry of Canada, which is faced with a similar problem. Here again I should like to give some figures which will throw some light on the situation and give information to hon. members.

I should like to emphasize the seriousness of the present situation. Statistics on imports and home production supply a clear picture of the imports of foreign plywood. We see that imports of Japanese plywood, which were under one million square feet in 1950, reached 50 million square feet in 1959. We can obtain an even better view of the situation if we realize that imports of hardwood plywood in the United States, which amounted to only 10 million square feet in 1951, had climbed up to 810 million square feet in 1959. I might add that these figures will be higher in 1960 compared with the few months of 1959 for which statistics are available. Such abnormal imports have already forced three plants to close their doors, and consequently have caused a loss of labour affecting many hundreds, if not thousands, of people.

Production of hardwood plywood in Canada is vital to our economy as this is a basic industry and I should like to think that all phases of the production of this material from the beginning to the end take place in Canada and are carried out by Canadians with Canadian materials. Everyone is aware, of course, that we are selling to Japan and other foreign countries more dollar value than we are buying from them. Let me point out that when we import from Japan, for instance, a country where the basic salary equals approximately one sixth of that in our country, we are thus importing six times more man-hours from that country than we are exporting. This means that for every single man-hour we export to Japan at the rate of a Canadian worker's salary, we are importing six man-hours from Japan in the form of the Japanese counterpart.

I could go on referring to more and more industries that are certainly facing the same problem, but no doubt the minister must know about them and intends to take drastic measures to protect our industries. But we must keep in mind that these measures must be taken now or very soon; otherwise we might find ourselves faced with the complete impossibility of coping with our industrial problems.

(Translation):

Mr. Speaker, the government also deserves credit for the legislation just adopted concerning loans to small businesses. I found with pleasure that those loans were available to the tourist industry which, according to me. ranks among the most important ones in Canada, and is, without any doubt, the most important one in my constituency.

I shall not elaborate this point as I propose to deal with it again on some future occasion.

Mr. Speaker, before resuming my seat, I merely wish to add that Canadian industries are not at all asking for undue restrictions on imports from abroad, far from it. All they want is a measure of protection and a fair share of sales in our country.

There should be quotas on certain of the goods we import, and those quotas should not exceed a fair percentage, so as to allow a reasonable amount of imports.

Our manufacturers are prepared to take their responsibilities, to increase the quality of their goods, to step up production, to cut down their costs and to face all difficulties that might turn up. In short, they are prepared to face the present problems. What they ask for, however, is a minimum of business security, trusting in their skill and ability to face other dangers that might come up.

I have so much confidence in this government, in the know-how of our industrialists and businessmen that I know that if we can give them the least encouragement, that is all they will need to get over their present difficulties.

Mr. Speaker, I wish to say how grateful I am over the decision of the Minister of Trade and Commerce (Mr. Hees) to change question No. 10 on the next census form.

The official opposition said that the government had to back track, and back down before the protests of certain ethnic groups in Canada. The members of the opposition are the only ones who think so. Newspapers throughout Canada, and particularly in the province of Quebec, far from looking upon this decision as a retreat, express great satisfaction about the changes made. I sincerely believe that the change in question No. 10 will do justice to all ethnic groups in this great country of ours.

I need not add that the Liberals who intended to make use of that anomaly in the census form for purely political purposes now feel crestfallen about it, and our opponents' old slogan "divide and rule" is now outdated and inapplicable.

The Conservative government has changed question 10 and, in so doing, strengthened national unity across Canada. All groups or organizations interested in the various cultural movements in our country are grateful to the Prime Minister and his government for having come up with a happy solution to this delicate problem.

I must add that the political football which our opponents intended to use against us is punctured. The only program they now have to offer the people of Canada are the contradictory resolutions adopted at the recent Liberal convention in Ottawa. After our fellow citizens have studied those resolutions and that program, I am sure they will be in a position to see the difference between the two large Canadian parties and that they will continue to give to the Prime Minister and this government the support and trust they deserve.

Mr. Gaston Clermont (Labelle): Mr. Speaker, I have not yet had the opportunity of

expressing my appreciation to the Speaker for his courtesy in welcoming me in this house, in November last. Therefore, at the beginning of my remarks, I should like to extend to him my most sincere thanks. I should like also to underline the ability and impartiatity which he has shown in the fulfilment of his presidential functions.

Since the debate on the speech from the throne has been cut down, at the suggestion of the Leader of the Opposition (Mr. Pearson), who wanted the government to introduce as soon as possible all legislation which might improve the present unemployment situation, I take this first opportunity which is offered me to make a few remarks.

I should like to thank the hon. member for Berthier-Maskinonge-Delanaudiere (Mr. Paul) for the kind words he had for me, in seconding the address in reply to the speech from the throne.

I congratulate the hon. member for Niagara Falls (Miss LaMarsh) for her resounding victory of October 31 last, when she doubled the majority obtained by her predecessor in 1958. I wish her a long and fruitful political career.

My congratulations also to the hon. members for Royal and Peterborough (Messrs. Flemming and Pitman) who were elected at the same time as I, on October 31 last.

Mr. Speaker, among those members who preceded me as representatives of the constituency of Labelle in this house, there is one name which comes to my mind, and it is that of Henri Bourassa, who sat here as a Liberal from 1896 to 1906 and from 1925 to 1935 as an independent.

Imagine my surprise when I read in the newspapers, during the by-election in Labelle, that Conservative speakers had made wide use of his name in their speeches. As if Mr. Bourassa had been one of their partisans.

I wonder what Mr. Bourassa would have said today about the census questionnaire. Surely, like me, he would have been among those who opposed question No. 10. He surely would have opposed it, like the electors of my constituency, like the members of the legislative assembly of Quebec who voted unanimously against it, like the Montreal municipal administration, like the association of French language educators, like the St. Jean Baptiste societies, like the chambers of commerce, like the Franco-Ontarian farmers' union, like the school boards, and so forth, who have asked this government to take the necessary steps to have removed from the questionnaire, in section 10, the words "Canadian" and "American," with reference to ethnic origin.

As you see, Mr. Speaker, the Associate Minister of National Defence (Mr. Sevigny) was wrong in claiming that the protests about the census were a balloon inflated by the Liberals. I would even go so far as to say that most groups that protested are independent, or possibly even supported this government in 1958.

Mr. Speaker, last Tuesday one hon. member opposite stated that this government had achieved wonders, and that he had great confidence in the future of this country. I share his optimism with regard to the future of Canada, but if we consider the results of the four last by-elections, I can assure you that the people of Canada have lost confidence in this government. Never in the history of this country has any government so rapidly lost the confidence of the people than has the present government. In proof of this I would refer you to the recent report of the Canadian institute of public opinion.

Mr. Speaker, in 1957 this government had more members elected than had any previous government. In 1958, it got 54 per cent of the popular vote. Now, the latest survey made by the institute shows that in less than three years such confidence has been reduced by 15 per cent.

In that short period of time the government managed to break all records in the field of deficits, unemployment, unfulfilled promises and it will soon break another record, that of unpopularity.

Mr. Speaker, during my election campaign of last October 31, six ministers of the crown and a great number of members supporting the present government came into my constituency to campaign in favour of the Conservative candidate. Among them were the Associate Minister of National Defence, the Minister of Transport (Mr. Balcer), the Minister of Defence Production (Mr. O'Hurley), the Secretary of State (Mr. Dorion), the Minister of Mines and Technical Surveys (Mr. Comtois), and the Minister of Justice (Mr. Fulton). Other Conservative members also invaded the Labelle riding to extol the so-called achievements of the Conservative government and to make more promises, such as the construction of a television tower or satellite station at Mont Laurier.

In the early stage of the campaign, our opponents asserted that the work would start before election day, but since it had not started late in the campaign, they changed their minds and said it would be undertaken in the fall of 1960. A Mont Laurier newspaper which supported the Conservative candidate, went so far as to say how high the proposed tower would be.

In reply to a question of mine, the Minister of National Revenue (Mr. Nowlan) stated in this house on January 18 that he was not even sure that a tower or satellite station would be built in 1961.

I hope that the minister will see that those promises made and not kept in 1960 will be carried out at least in 1961.

The people of Labelle, as well as throughout Canada, no longer believe the promises of the Conservatives. That is why the Conservatives suffered an overwhelming defeat in my riding.

In order to justify that defeat, the Conservatives made use of the Minister of Mines and Technical Surveys and made him suggest that it was due to the intervention of the Quebec Liberal party. That is false.

Mr. Denis: But Mr. Jean Marie Beriault was there, indeed.

Mr. Clermont: Our friends opposite are trying to blame their bad administration on the Liberals, accusing them of leaving behind a sorry legacy.

They knew in 1957 and 1958, just as they do today that they would necessarily inherit this famous legacy they so often speak about if they ever acceded to power.

They should have then told the population that because of that legacy they would not be able to administer the affairs of the country as well as they would have liked to. They would have been more honest with the people if they had done so. But instead they said: "Everything is going wrong; vote for us and all will be right. No one will suffer".

Three years later the number of unemployed has doubled. What is their answer: "Blame it on the legacy".

Bankruptcies are increasing. Blame the legacy. The cost of living is rising. The legacy, again. Plants are folding up or are cutting down production. Once more, it is the legacy.

What have they done with this legacy? They have increased or doubled the liabilities and wasted the assets.

The Liberals had left them as a liability 197,000 unemployed. They have almost trebled this liability.

The Liberals had left them heirs to $900,000,000 of assets in the unemployment insurance fund. By next May, they will have reduced those assets to less than $100 million.

The Liberals had left them millions accumulated in successive annual surpluses. They succeeded in converting those assets into tremendous deficits.

Was the cost of living relatively high before? They have substantially increased this liability.

Interest rates which were normal under the Liberals have become prohibitive in the last three years.

Such uneasiness as existed in certain industries like the textiles, footwear and other industries has considerably increased.

The national debt is larger, and so are naturally, the interests we have to pay.

In this supplementary or baby budget, which is being discussed today, I find nothing which might, in the immediate future, help the farming, lumbering and tourist industries which are of special interest to the people of my riding; and I am sure that, in the other areas of the country, the budget was not found more satisfactory.

In proof of this, since I am not asking any one to take my word for it—I will quote newspaper opinions.

Contrary to the claims of the Associate Minister of National Defence (Mr. Sevigny), as evidenced in *Hansard* for January 24, 1961, page 1362, I quote:

> That budget, so carefully prepared was well received generally across the country, and the opinion of our fellow citizens was reflected in the many editorials we have read both in our daily newspapers and our weeklies and which, for the most part, commended the Minister of Finance.

English language newspapers reply:

(Text):

The Calgary *Herald,* December 21, 1960, states:

> Its effects are to be long term, not immediate.

The Montreal *Star,* December 21, 1960, says:

> To the average person's reaction a disappointment—so was corporation.

The *Globe and Mail* of December 22, 1960, stated:

> —budget which itself is widely described as disappointing—

The Toronto *Star* of December 21, 1960, contains the following:

> Budget ignores unemployed.

The Windsor *Star*, December 21, 1960, page 2, reads:

To the ordinary individual it was just another Tuesday evening, as far as the baby budget of the Hon. Mr. Fleming was concerned.

(Translation):

I see in *La Presse* for December 22, 1960, an editorial entitled:

A stopgap budget.

This article reads as follows:

Mr. Fleming's biggest mistake is his failure to believe, last spring, in spite of warnings from all parts, that the unemployment situation was serious. If, at that moment he had taken the steps he is now announcing, the situation today would perhaps be better instead of worse.

(Text):

The following extracts appeared in newspapers across Canada, a résumé of which appeared in the Winnipeg *Tribune*, December 22, 1960.

The Ottawa *Citizen* states:

Canada's unemployed must be prepared to dig in for a long, tough winter.

The Vancouver *Sun* says:

Of immediate stimulation to the economy there is practically nothing.

Then the Victoria *Times* has this to say:

In his latest budget, Mr. Fleming attempts to cure three years of financial miscalculation.

The Toronto *Star* states:

Donald Fleming's supplementary budget may win a niche in history as the one which began to Canadianize our economy. But it does almost nothing about a more urgent matter—getting nearly 500,000 unemployed back to work.

The Toronto *Globe and Mail* says:

The essential problem of the Canadian economy remains—high prices caused by high costs, which are caused in large part by high taxes.

(Translation):

Mr. Speaker, I could quote about ten other non-partisan opinions, all condemning the budget.

In conclusion, may I add that this budget offers so little in the way of new ideas, does so little to remedy the present crisis, that our hon. friends opposite have said almost nothing about it. They have wasted the time at their disposal on remarks about the Liberal rally which was so successful that it made them forget their baby budget.

That budget gives a true picture of the government with all its confusion and contradictions. It has, incidentally, contradicted the previous one, and it will probably be contradicted by the next.

(Text):

Mr. H. E. Monteith (Verdun): Mr. Speaker, I wish to make a few humble remarks in connection with the budget. I also wish to compliment the Minister of Finance (Mr. Fleming) for the excellent provisions he has included in the budget. I will not go into detail as to the many acts which have been passed in this house to alleviate a situation which was well in the making before this government came into power. I shall only mention two acts which have been passed during this session which I believe will be of great interest to my constituents as well as to the nation at large.

We are living today in one of the wealthiest countries in the world and our big problem is how we are going to spread this wealth? We must all realize that this country is going through a great transition, from manual labour to automation, from one industry to another and from one district to another. Old industries are disappearing and new ones are cropping up. Old skills are losing ground while new skills are in great demand. While governments at all levels are doing much to ease the situation caused by these great changes which are taking place, I do believe that a great responsibility lies with the Canadian individual. When our ancestors settled in this country they had no social security, they had no unemployment insurance, no family allowances and no old age pensions. They had to create, build and plan for their own security.

The government through legislation, the scientist through research and the industrialist through venture are all putting opportunities before us every day. It is up to the individual to prepare himself for the challenge of this rapidly changing country. I personally believe that this government, through Bill No. C-49, an act respecting technical and vocational training, is putting before the Canadian youth an opportunity to avail itself of skills and trades which will fit them into the prevailing industries.

Also our older citizens who are unfortunate to be unemployed through changing times may now, while receiving their unemployment benefits, improve their present crafts or acquire others more in keeping with the requirements of the new industries. This act alone will do much for the present and future of Canada.

There is another bill which I should like to mention, an act respecting loans to small businesses. The small businessman who has invested his all in an enterprise now has the opportunity to expand and realize his ambitions. The small businessman has been the forgotten man for too many years. He was left on his own to sink or swim. Who knows but that this will be the beginning of many new and large industries.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, this is the concluding day of the debate on the baby budget and I think it can be said that the main question members can ask in

this debate is: Why all the fanfare; why all the build-up for a budget of so little substance and of so little significance to the Canadian nation?

In presenting his statement to the house the Minister of Finance (Mr. Fleming) seemed almost totally unaware of the great national emergency that exists in the country at this time. He said at one time, against this background: How is Canada faring? On the whole it is faring well.

One of the first requirements of a government that would deal with an emergency is its ability to comprehend that an emergency in fact exists. Surely there should be no need for members of the opposition to bring forward evidence at this time that our country faces a grave national crisis, that our gross national product has remained almost stationary, that our country is failing to advance, that we are failing to meet the challenge from abroad, in an economic sense. The government has sat idly by while hundreds of thousands of Canadians face insecurity and inadequate incomes.

The recent figures show very widespread unemployment in the country. The Prime Minister (Mr. Diefenbaker) goes on television, and does he acknowledge the existence of this great emergency? Not at all. He says that in certain years under a former administration the statistics were even worse than they now are, and he apparently takes comfort from the fact that we are not yet quite as bad as we were in the 1930's.

The Minister of Finance, I noticed, in trying to alibi the unemployment situation, referred to immigration at one point. At another point he said that one of the main reasons why we have great difficulty in providing jobs is because there were so many babies born during the war years.

I am ashamed of a minister and a government that puts forward the excuse that there are too many Canadians coming of working age and the government is unable to do anything about providing work for our larger number of citizens. This is the lamest excuse that any government could possibly put forward as a reason why it is unable to deal with the situation today. The government says it arose back in the war years, there were too many babies in the early 1940's. There were too many for the Conservative party in 1961 to do anything about providing jobs and job opportunities for the people of this country.

Mr. Bell (Carleton): That is a fantastic distortion.

Mr. Argue: The hon. member for Essex East (Mr. Martin) has made a speech, and the Prime Minister is here. The Prime Minister is to come on later. Somebody had better pull this government out of the hole it is in; somebody had better rescue the government in this debate. I am inclined to regard the Prime Minister would be as good as anyone in this endeavour, but even the right hon. gentleman will have the greatest difficulty rescuing the government from the facts of this great national emergency.

One of the reasons why the government is experiencing such difficulty now is that it believes wholeheartedly in the private enterprise system. This means allowing business to make the decisions while the government sits out in an irresponsible role. The fact of the matter is that the government has to play a role of leadership. The fact of the matter is that the government should bring forward at this time, in our judgment, a great national plan to deal with the many urgent requirements of the Canadian nation, requirements which if steps are taken to fulfil them would provide jobs for all Canadians.

There are many things which need to be done and which should be done at this time. Canadians need more homes. There should be a vast program of home building, a vast program of slum clearance instead of the halting, limping program adopted by the government which meant fewer starts instead of more starts in housing last year. Canadians need more schools and they need more hospitals. I think our citizens could use more automobiles. I think they could use all the automobiles that our factories could produce if they had jobs and incomes with which to buy those products. Go to any urban community in Canada and, I suggest, hon. members will find a community which needs more schools and more hospitals.

We need a vast system of modern roads in Canada and I suggest here is a place where the government should be playing a leading role at this time. As long ago as 1912 the United States initiated a great road building program which included transcontinental highways, interstate highways, main state highways and farm to market roads as well as roads over which school buses operate. Instead of having a vision in the field of road building, this government has carried on the one road policy of the former administration. The government has decided that nothing more is to be done until the trans-Canada highway is completed. I venture to suggest that Canada will celebrate its one hundredth anniversary without having so much as a single trans-Canada highway completed to adequate standards from one end of this country to the other.

Certainly, this forecast will prove justified unless we have a greatly changed policy in relation to highways and road building. Now

is the time when the government should say to the provinces: we are prepared to put federal money into a vast road network across this country which would include the trans-Canada highway, which would include roads running north and south, which would include farm to market and other important roads. Why does not the government go forward with a great plan of this kind to develop the Canadian nation and provide jobs for all our citizens?

Instead, the present administration has done a number of things which have been very worth while. We were glad to support them, but the things which have been done are patches; they are helpful, but they are just patches and patches will not be sufficient to arrest the upward trend in unemployment in our nation. I suggest the government should now deal with this national emergency as it was dealt with, in a monetary and financial sense, during the war.

I suggest that the government at this time would be fully justified in providing for an expansion of the money supply. The government should take steps at this time to bring interest rates down. Instead of the province of Newfoundland, as I saw in the paper a couple of days ago, putting forward a bond issue at an actual rate of 6.13 per cent, it should be made possible, through government action in this field, for such bond issues to be put out at a rate of less than 4 per cent. If a policy of lower interest rates were adopted in this country it would allow the provinces to go forward with a great program of expansion within their borders; it would enable municipalities to undertake necessary works programs which have been too long delayed. But as long as this government follows a policy of high interest rates and tight money national growth, national development will be choked.

The Minister of Finance sat on this side of the house for many years as the strongest critic of the high interest, tight money policy followed by the government in those days. Since he became Minister of Finance there has been a complete change; he has turned from an advocacy of low interest rates to a policy of the highest interest rates this country has seen for generations. I suggest that this has been a mistaken policy and that the mistake should now be corrected.

The money which is necessary in order to provide for a great program of national development could be obtained. It could be obtained by an increase in the money supply. It could be obtained by asking Canadians to invest in their country, to invest in government securities and put up some of the funds necessary for a great program of national expansion. As far as possible, however, the government should follow a pay as you go policy in respect of an expansion program of this kind. I am saying that there has to be a measure of borrowing and an increase in the money supply, but full employment should be reached as quickly as possible and at that time, if not somewhat before, it should be a pay as you go policy.

I see the parliamentary secretary looking at me critically. If the hon. member would refer to some of the budget speeches which were made in the early part of the war I think he would see there an indication of the measures which a government should take in order to bring about full employment and a full production economy. I have in my hand the budget speech made by Mr. J. L. Ilsley on April 29, 1941, and I should like to quote two short paragraphs as follows:

> In planning these policies, the government set for itself two objectives:
>
> First, to bring the country as rapidly as possible to the full use of its resources and man-power. For this, financial policy could not be the sole nor even the chief instrument, but it was necessary that it should help and not hinder, that it should keep step with the work of industrial and military organization.

We do not want to have full use made of our economy for war, but we want a full production economy for peace in order to meet the needs of the Canadian people. I think if this nation could go forward with a full employment economy of the kind we were able to achieve during the war at a time when we had such a tremendous drain on our man-power we, the same nation, would today be able to deal in a sensible way with the problem of half a million unemployed at the present time.

An hon. Member: We are.

Mr. Argue: Somebody says: "We are." Every time they say "we are" the numbers on the unemployed rolls of this country increase. The quotation continues:

> The government's second objective was to follow, as far as may be practicable, a pay as you go policy. This is derived not from any dogma of financial orthodoxy, whatever that may be, but from the known and proved inequities and the disorganizing and shattering effects of inflationary rises in prices and incomes.

Neither this nor any other government will be able to solve the present economic crisis unless it is prepared to take this kind of active leadership in our national economy. During the war it was necessary to bring about certain foreign exchange control. The government has tried to influence the value of the Canadian dollar. Greater emphasis is needed in the direction of reducing the value of the Canadian dollar and consequently increasing the prices of Canadian exports. All

these things may lead to increased pressures. In an economy such as we have with an increasing control by large corporations this government should be prepared to take whatever steps are necessary to regulate the prices of the chief commodities produced here that are now controlled by monopolies or semi-monopolies.

This broad attack by the government is in my judgment necessary for the functioning of democracy, to restore our economic health and to restore the self-respect of the Canadian nation among the community of nations of the world. In doing these things I do not suggest we should place all our emphasis on material matters. This government should consider some of the things that are of great cultural value. It should consider the creation of a ministry of culture and national objectives, a department which could give advice and leadership in the development of the arts and sciences, making it possible for Canadians to enjoy the benefit of this kind of cultural endeavour.

I have been endeavouring to put forward some of the things I feel the government should be doing at this time. Today the main estimates for this year were presented in this house. These show that the vision is a thing of the past, that the government has forgotten its many promises to the Canadian nation.

There is no indication in the suggested expenditures in the main estimates of any vast attack on unemployment or any of the programs necessary to bring about full employment to increase incomes in our country. That is not to say there are not significant figures. The high charge of public debt which was $680 million for the year 1959-60 and was up to $774 million for the year 1960-61 is down just $1 million in the estimates for the current year. This is an indication of the cost to the country of this government's high interest policy.

The measures I have suggested are in the opinion of this group necessary to deal with the economic crisis facing the Canadian nation today. These measures are not provided in the budget that is under discussion. However, there are certain things in the budget which should cause Canadians a great deal of concern. I have been disturbed by the proposals in the budget to increase the efficiency and speed with which the tariff board can deal with tariff questions, by the suggested changes in the Tariff Board Act which would give to the Minister of National Revenue (Mr. Nowlan) arbitrary power and by the changed basis on which certain tariffs are levied.

Canadians have an ingrained suspicion that a Tory government is a high tariff government. This is more than an ingrained suspicion because contained in this budget are proposals of this government to bring about the greatest orgy of tariff increases that this country has seen. In addition changes are proposed to give to the Minister of National Revenue arbitrary and far-reaching powers which should never be placed in the hands of a minister.

The Minister of Finance has made no bones about the need for the tariff board to expedite decisions in applications for tariff changes. The minister has gone so far in his proposals as to suggest the appointment of additional members so for all practical purposes the board will be split in two and sit in the form of two panels and instead of having one tariff board we will have two. The boards will be able to sit simultaneously and increase tariffs twice as rapidly as could one tariff board.

Mr. Bell (Carleton): Does the hon. gentleman not wish the board to hear the application with respect to vegetable oils?

Mr. Argue: The hon. member who interrupts may make his own position clear at a later time. I am presently making clear the position of this group. In the Customs Tariff resolution the following is set out:

(a) in the case of goods other than goods custom-made to specifications, goods of approximately the same class or kind are made or produced in Canada;—

It further sets out:

(b) in the case of goods custom-made to specifications adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

The following is then set out:

(3) The decision of the minister shall be final with respect to the following matters:

(a) the normal Canadian consumption of the goods described in subsection (2), and

(b) whether goods are custom-made to specifications, and whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

The minister will decide whether in his opinion 10 per cent of certain goods consumed in this country are produced in Canada, whether they are of a class or kind approximately the same class or kind as certain imports and whether adequate facilities for the economic production of such goods exist in Canada within a reasonable period of time.

We need to have not only a planned economy within our country with effective production and distribution at home but we also need planning in export markets and in international trade. No one suggests that this country should allow foreign countries to dump their goods here to displace Canadian workers who have been operating for many years in Canadian industry but we

suggest that the way to bring about an expansion and control of international trade is through export and import boards, through long term mutual agreements and not by the archaic method of increasing tariffs which will have the result of increasing production costs in Canada and instead of contributing to greater employment will bring about a larger measure of unemployment.

We need planning in our nation. We think enough jobs should be made available so that all our people will have an opportunity to work. In the days ahead as automation increases and production methods improve the Canadian work week should be materially reduced. Premier Khrushchev has made the boast that in his country the 30-hour work week will be a reality within a short time. As a nation we cannot achieve such a shorter work week unless in our judgment we have the necessary amount of planning to deal with all aspects of our economy, full production, full employment and a control of international trade.

This budget is an indication of the abject failure of this government to deal with the present national emergency. It suggests a failure by the government to bring forward an adequate national plan to provide full employment, full production and a reasonable distribution of our goods. I suggest to the minister, and I warn him, that he has taken the wrong course in embarking upon an outmoded high tariff policy that will spell ruin to the Canadian nation, to Canadian industries and to the Conservative party.

Mr. Fleming (Eglinton): Utter rot.

Mr. McDonald (Hamilton South): I should like to ask the hon. member a question. As leader of the C.C.F. party in this house, is he for free trade?

Mr. Argue: I should like to see the day when outmoded tariffs are abolished in their entirety and we have planned trade instead of tariffs. That should be our objective. I think we need planning in our trade and the planning should be along the lines I have suggested, which will result in a gradual reduction of tariffs instead of this blind reliance on tariffs that will lead to greater not less unemployment.

Mr. Fleming (Eglinton): Good-bye to the labour votes for the new party.

Mr. Argue: I would suggest to the hon. member that we are waiting for the official reply of this government to the offer of Britain for a free trade area, and I tell my hon. friend also that we are going to be required as a nation to associate ourselves with a larger trading area, which will mean a reduction of tariffs and an increased market for Canadian factories. The Tory party is following the assumption that 18 million people provide an adequate market for major Canadian industries. This is a fallacy. This government has failed the nation by failing to bring about a very major change in its trading policy.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, the budget introduced by the Minister of Finance (Mr. Fleming) has provided a stimulus for the Canadian economy, one which I hope every advantage will be taken of in the Atlantic provinces. During the last few weeks I had been hopeful that another stimulus would be provided by the recent convention held by the Liberal party in Ottawa. Having noticed the importance they placed on the Atlantic provinces and the situation as it is there today I was hopeful that they would at least pass a few resolutions in this regard. However, Mr. Speaker, that did not take place. Once again the apparent disregard of the Atlantic area came to the forefront, as it has many times in the past. They apparently ran out of time. But they did not run out of time before one delegation from the Atlantic provinces packed it up in digust.

I would suggest, Mr. Speaker, that possibly they could have made some time available for themselves at least in one category, on which they spent much time. I refer to the resolutions on education. In this particular field they saw fit to have a resolution concerning loans, and another one on scholarships and bursaries. Lo and behold, they came through with one for free education at all levels. I would suggest that possibly they could have avoided the first two, since they were going to provide free education at all levels, and spend a little time on problems of the Atlantic provinces on which they placed so much importance.

I am very sorry to see that champion of labour from Essex East is not in his seat, nor is his colleague from Bonavista-Twillingate because some of the remarks I have to make at this time will be made for their benefit.

The hon. member for Essex East (Mr. Martin) rose in his place the other day and asked a question with regard to the coal situation in Cape Breton. Does he think for a moment that because he rises in his place and asks a question on the situation in Cape Breton he is going to be able to come into that province and set himself up as a champion of the coal miner? Hardly, when one considers the view of the Liberal party during the time of their administration and what happened to the coal industry then.

If action had been taken at that time the crisis with which we are faced today would never have come about.

I recall quite vividly the remarks made by the former prime minister in his speech in Fredericton. This is a quotation that the hon. member for Bonavista-Twillingate (Mr. Pickersgill) takes exception to whenever it is used. At that time the former prime minister suggested that we leave the coal in the ground for future generations in order that they would be in a position to manufacture synthetic products. The hon. member for Bonavista-Twillingate takes strong exception to the use of this quotation; but I have often reminded him that because of the exception he has taken to this quotation a front-page editorial was written in the Fredericton *Gleaner*. The hon. member keeps questioning whether this editorial was ever written. I hope he reads *Hansard* tomorrow because for his benefit I say that this editorial which called upon him to make an apology for his denial was printed on January 23, 1958. Of course, we do not agree with all editorials, but this one, which strongly suggests that the hon. member for Bonavista-Twillingate has been untruthful in his statement is one with which I have to fully agree.

I often wonder, Mr. Speaker, just what the position of the hon. member for Essex East would be if he were on the government side of the house today and were faced with the questions which he himself likes to direct to the front benches. In all likelihood, as the Minister of Labour (Mr. Starr) reminded him not too long ago, he would be catching a train. During a discussion on unemployment he did not have the patience to sit and listen to it because, as he said, he had to catch a train.

There is also not much doubt that the members of the C.C.F. party were delighted at receiving within the last few days comments clipped from the Cape Breton paper which severely criticized me. I might say that those comments have been forwarded to members of the opposition without any accompanying note, letter or signature, just the clipping taken from the paper, which severely criticized me for remarks I made with respect to the actions of the union executive in regard to the mines situation. I do not hesitate to repeat at this time—and I will do it at every opportunity—the remarks that I made at Sydney, Nova Scotia, in answer to a question from the floor, which was to the effect that 800 miners at the Caledonia colliery were not getting the support from the executive officers which they could rightfully expect. This is a statement which I make no apologies for and one which I can substantiate by remarks and conversations held with miners themselves involved in this particular closure. I also remarked on the question of fewer contented rather than a larger number of discontented miners, a policy advocated and practised by J. L. Lewis.

I also find it hard to understand the representations that the C.C.F. would like to make on behalf of the miners, and this applies also to the hon. member for Essex East. Not too long ago I took it upon myself to correspond with members from Quebec and Ontario. As an indication of the degree of sincerity behind the effort of the hon. member for Essex East to help the miners I might point out that he did not take the trouble to reply to my letter. I might also say that not one C.C.F. member replied to my letter. Not one of the C.C.F. members to whom I directed the letter took it on himself to reply with respect to this very vital problem facing the Nova Scotia miners.

I noted that at the Liberal rally the hon. member for Bonavista-Twillingate seemed to think he had the answer for the coal problem. His idea was to provide free power for ten years and this was going to solve the problem of the mines. He also implied that we should not be reaching into the captive market of Quebec and Ontario and that our efforts should be directed toward secondary industries in the Atlantic provinces. Does the hon. member believe for a moment that our coal supply is so short that we are only able to supply secondary industries that might be established in the maritimes and are not able to supply Quebec and Ontario at least partially? It is no surprise to me to find that when this proposal was put forward by the hon. member for Bonavista-Twillingate and suported by the former member for Inverness-Richmond and also by the Leader of the Opposition (Mr. Pearson) their feet were cut from under them by none other than Walter Gordon, the author of the Gordon commission report and, as far as the maritime provinces are concerned, in just mentioning his name I cover a multitude of sins.

There is an answer, Mr. Speaker, to the problem of the Cape Breton coal miners and I indicated that answer in the letters I circulated to members from Quebec and Ontario. Members from Ontario will excuse my reference to their province. I will explain why I am doing so later. If 10 per cent of the market in Ontario now supplied by United States production was supplied by our coal this would solve the problem in Cape Breton. In the correspondence I have received from members of parliament and from provincial representatives in Ontario and Quebec it is pointed out that this market would be available to Cape Breton coal if

and when it was competitive. Far be it from me to stand here and suggest that we could make Cape Breton coal competitive with United States production. I do not see that this is possible but I do say that the answer lies in Ontario because 10 per cent of that market is all that we need. If the entire market were at our disposal we could not produce the necessary amount of coal but just 10 per cent of the market now supplied by imported coal would provide us with what we need to keep three mines in Cape Breton operating and the result would be that 2,500 men now faced with dismissal from their employment would be able to continue working.

I place emphasis on the province of Ontario simply because Nova Scotia provides Ontario with a considerable market for her products. I might elaborate by reference to the car industry. In Nova Scotia people pay anywhere from $150 to $300 more for the same model car as people in Ontario pay. This is a tremendous difference, and the same thing is also true with regard to many other kinds of manufactured goods for which Ontario finds a considerable market in Nova Scotia.

The same situation applies to Quebec to a lesser degree but as the automotive industry operates primarily in Ontario, Nova Scotia provides a greater market for Ontario than for Quebec. If Ontario industries were to take it upon themselves to purchase Nova Scotia coal even at a price two or three dollars a ton higher than the United States product and passed on the extra cost to the consumers it would only mean two or three milion dollars more on a million tons and, when passed on to the consumers in Ontario I am quite sure it would mean less than $1 per year to each consumer. This is not a great price to ask when you consider the fact that, as I said, Nova Scotians are paying from $150 to $300 more for cars manufactured in Ontario and are also paying more for other goods produced in Ontario.

Any comparison between the situation in Nova Scotia and that in other coal producing countries such as Belgium, France, England, Germany and so on is not a true comparison. It has been said that coal is obsolete. In making that reference I am referring to a statement made by the potential leader—I understand that all that is necessary to make him so is a snap of the finger—of the new party. Mr. Douglas made that remark at a recent seminar in Montreal. Mr. Douglas is the potential leader of the party in which a lot of miners in Nova Scotia hope to place their faith. So far as union activities in Cape Breton are concerned it would appear that the stepping stone to union office has always been the C.C.F. party, and this is one reason why throughout the years I have often found it necessary to take exception with some of their representations. Yet here we have a bunch of Cape Breton miners who hope to place their faith in a man who has referred to coal as being obsolete.

As I was saying, it is not a true comparison to compare the situation in the Cape Breton coal fields with that in any other coal producing nation because these other nations are all exporting nations while in Canada the coal miners are engaged in the production of a product that cannot supply the Canadian demand. We could not supply our own domestic requirements if called upon to do so.

The situation we are faced with today is that Canadian miners are going to be sidetracked or whatever you wish to call it when the company sees fit to close collieries while at the same time this nation is importing far more coal than we produce. This is one reason why the situation in Canada cannot be compared with that in other coal producing countries which are faced with problems of an entirely different nature.

We in Nova Scotia are faced with the problem today that as a coal producing province we cannot market our production in our own country, and to me that does not add up to Canadian people supporting in every way goods produced in Canada. Probably I should not say it but it is true that if Nova Scotians and the people of the Atlantic provinces generally had the opportunity to deal with their American neighbours and were free to buy from them the lucrative market that we provide for Ontario cars would possibly not be available. We have a situation where we do not have the protection for the coal industry that we might desire. I am not suggesting for a moment that there should be anything in the way of a duty or quota placed on United States coal because this would be unfair.

If we were in a position to service the Ontario market fully we might have an argument for calling for further duties or controls over United States imports. This we cannot do, so all we are asking is that 10 per cent of the market in Ontario and Quebec be made available to the Nova Scotia miners in order that they may maintain their employment. As I pointed out, even if this 10 per cent were sold to the consumer at $2 or $3 more, it would not mean much to the individual. I am quite sure that Canadians across this country would be willing to accept something of this nature if, in turn, the miners would be provided with employment.

In closing these remarks, I must say that I have to take exception to the attitude of

Dosco. I feel their attitude is not the answer. I do not believe the effort has been put forward that should have been put forward to sell this coal. I believe Dosco has been lax in its sales promotion and its investigation of possible markets. I am not in a position now to mention some confidential information I have received which would have a bearing upon this problem. However, I believe there is every reason why the Cape Breton mines should be kept operating. In fact, the information I have even goes so far as to indicate the possibility of reopening closed mines and the further possibility of new openings. I do not believe that by mentioning this I have betrayed any confidence.

As I say, this confidential information would indicate that a large market for coal is about to open in the near future. However, the immediate answer would seem to be making a percentage of the Ontario and Quebec markets available. I believe that if it could be brought to the attention of the people of these provinces that with a slight expenditure they could help the Cape Breton miners they would be agreeable.

I do take exception to the fact also that Dosco has adopted the attitude that they do not want further federal aid to keep the mines operating. We all realize that the assistance given by the federal government in the last three or four years has been tremendous, in fact far beyond anything done by the Liberal opposition who today, in order to try to promote the idea they are supporters of the miners, pose what they consider to be embarrassing questions. I cannot understand the attitude of Dosco because they are already leaning on the federal government in so far as many of their operations are concerned. They are receiving considerable assistance in connection with steel. They receive considerable assistance, too, in connection with their shipyards. Dosco has maintained they lost $2 million last year and, because of this, the mines have to be closed.

During the last coal conference I put forward the idea that the coal from the Caledonia colliery, the one which is to be closed on May 30, could be treated as separate commodity and sold at 57 cents a ton cheaper. This would be an incentive to the buyers in Nova Scotia and eastern Ontario to purchase this coal. These consumers have put forward the idea that they would take coal of a lesser quality providing the conditions were right. When they speak of "lesser quality" of conditions it adds up to one thing only, and that is price. If it is possible to keep No. 4 colliery operation by setting up this coal as a separate commodity and selling it at 57 cents a ton cheaper I believe this would provide an incentive to the consumer and also further the development of the west side of this colliery. This side of the colliery will provide quality coal to which they will have no objection.

In making his representations on behalf of this company, Mr. Fairley maintained there had never been any excessive development work on the west side. The miners in that colliery inform me that the development of the west side has reached a stage where it is 85 per cent completed, and with very little effort they could be into this very good coal. The mine could be operated on a single shift basis. I appeal to Ontario and Quebec for this help, and I think it is not too late yet to bring about some solution to the problem. While Mr. Fairley indicates there has been no development work going on in this colliery the Cape Breton *Post* carried a release from Dosco which seemed to be an ultimatum—perhaps that is too strong a word—a directive to the management of this colliery to complete this development work within nine months.

I am in a unique position because the leaders of the union at home do not see eye to eye with me politically. At times they take advantage of this situation to provoke political discussion and get political propaganda directed against me. As I say, my position is unique because I must do everything I can, to the best of my ability, on behalf of these miners. At the same time I am faced with the problem of denying some of the company's claims when they are advocating closure. In addition, I have to appear with the representatives of the company and the union when they appeal to the government for further aid.

I am placed in an even more embarrassing position when one leader of the union, namely the vice president, Steve Dolhanty—I do not want any mistakes about the spelling this time—praises the government at every opportunity when federal or provincial members are present. In fact, in answer to a criticism of me in a newspaper following a statement I had made he said he hoped I was not voicing government policy because the union got along very well with both federal and provincial governments. "They have been very good to us." Yet this very man when he appears before a local union will take it upon himself to tear apart the provincial government and the federal government. He will make statements to the effect that the million dollar hand-outs by the federal government are no answer to the problem. On the other hand, this very man will come to Ottawa, appear before the government and ask for this very thing in order to continue mine operations. What is my position? Do these

supporters of the C.C.F. party think for one moment I am going to stand by—

An hon. Member: That is two-faced.

Mr. MacInnis: —and allow this type of sniping to continue? Somebody mentions "two-faced". Well, in another assembly I would use much stronger words. I have used much stronger words in referring to this same man. I do not intend at any time to stand back and watch this type of thing continue while I, along with other representatives from Nova Scotia, am doing everything possible to promote the welfare of the miners in Nova Scotia. At the same time I appear with these people to make such representations to the government as they care to make. This man goes home and tells the people, through the press or at meetings, that the millions of dollars handed out by the federal government are not the answer, yet that is the very thing federal representatives from Nova Scotia, provincial members and executives of the union have requested from this government and the very thing this government has provided.

I should like to ask the hon. member for Essex East and other interested members to go before their constituents and inform them that for less than a dollar a year each they can save the miners in Nova Scotia.

Mr. Speaker: Before I leave the chair, may I ask the hon. member if he has completed his remarks?

Mr. MacInnis: Yes, Mr. Speaker.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. H. J. Michaud (Kent, N.B.): Mr. Speaker, as the first member from New Brunswick to speak from this side of the house in the budget debate I should like to offer my congratulations to the Minister of Forestry (Mr. Flemming) on his appointment to the cabinet and election to this house. The people of New Brunswick will expect him here in Ottawa to put forward with the same vigour the claims of the maritime provinces about which he spoke so frequently in his previous position.

It is with a certain amount of amazement that I have noticed in the course of this debate the great interest that all members on the government side of the house have expressed in the Liberal rally which took place here in Ottawa a few days ago. In his contribution to this matter before the supper hour the hon. member for Cape Breton South (Mr. MacInnis), like the rest of the government members who spoke on this matter, seemed to be obsessed with the success of that rally.

Obviously the hon. member could not have been reading the extensive reports on that rally given by the Halifax *Chronicle-Herald* during that time, or he would have found out for himself that the Atlantic provinces did receive a great deal of attention during the rally. He would have seen that we had a special committee on that special subject and that recommendations were made at that time in reference to highways, capital grants, the coal situation and the Chignecto canal.

If all those recommendations had been acted upon by the present government before this time we would now be in a happier situation in the maritimes and the people would not be as short of work as they are. Of course, we on this side of the house are very grateful for this publicity given to a very successful rally which at the time was hailed by every medium of publicity in the country. This conduct on the part of government members is but a sequence to a previous attempt made to dampen the interest aroused by that event. Indeed, we had all noticed with what a flourish a host of cabinet ministers scattered all over the country and strived to divert the attention of the Canadian people during the days that rally was held.

There is one evident conclusion to be drawn from these aroused feelings of the government members and ministers. If only they would show the same eagerness and spend the same amount of time trying to find a solution to the many pressing problems which now exist in the country, such as the grave unemployment problem, for instance, as they did trying to belittle that rally, they might well avoid some of the wrath which is mounting against this government at the present time.

The debate which is now under way deals with the supplementary budget presented to the house by the Minister of Finance (Mr. Fleming) on December 20 last. Some of the measures contained in this budget have been described as good in as much as they are designed to solve the alarming unemployment situation which now exists. But these good measures are all long term measures and are in no way designed to bring any immediate relief to this problem. This leaves one to wonder, therefore, what are the immediate views of the government on this matter of general unemployment.

Of course we know that the government dislikes to be reminded that such a situation exists. Ever since they assumed office, at which time unemployment started to increase,

until the present time government members have steadfastly maintained that there was hardly any unemployment at all in the country. When we remind them of the seriousness of the situation we are charged with what has now become a commonplace phrase, of being prophets of doom and gloom, though everything we have said is mild and factual, unlike the extravagant statements made by the present Minister of Finance in 1955 when only half as many Canadians were unemployed and when that unemployment was purely seasonal.

But recently there has been some sort of a new turn in the views of the leaders of the government with respect to this matter. Until recent date we were told there was no unemployment problem, that it was just an economic pause, and that the existence of a severe crisis was just a figment of the imagination of the opposition members. However, in a national telecast last week the Prime Minister (Mr. Diefenbaker) finally admitted that there really existed an economic recession, but then he hastened to add that this recession was still due to the mismanagement of the Liberals prior to the advent of the present government in 1957.

If it has taken the government over three years to discover that there really was a serious problem, of course we should not reasonably expect that a solution will be found too readily. Haste, decision and readiness we know are not characteristics of the present government; so let us be patient, for we have the assurance from the Prime Minister himself that as long as he is Prime Minister of this country no one will suffer from unemployment.

In the meantime, in spite of these solemn assurances unemployment is mounting and people are suffering. In my own province of New Brunswick we are faced with a number of unemployed proportionally at least twice as high as in the province of Ontario. It is estimated that in some sections of the province at least 20 per cent of our labour force is unemployed at the present time, while our average per capita income is only two thirds of the national average and not much more than half of that of the wealthier provinces.

Small wonder if our people are leaving by the thousands every year in quest of employment in another land, a startling paradox in our immigration policy. But these are all matters which we must not mention lest we be accused of being unpatriotic to our country, of rendering a disservice to our country, of selling our country short, yes, of being prophets of doom and gloom. What a sham performance by a government wishing to conceal its own inefficiency and its complete bankruptcy of ideas.

Personally, I feel that I have received a mandate from the people I represent in this house. This mandate calls for me to voice fearlessly at all times the needs and requirements of these people. This I have always endeavoured to do in the past, and will always endeavour to do as long as I am entrusted with that responsibility. No amount of chiding on the part of the government will ever silence me or ever induce me to retreat from what I believe it is my duty to perform.

I state now that there exist in the riding I represent, as well as in other parts of New Brunswick, certain conditions which are intolerable in a country as full of resources as ours; and I further state that such conditions are an indictment of the government which allows them to continue. The people of my county and of my province deserve better, as a birthright, than the privilege, for a large number of them, of taking the road of expatriation as soon as they attain working age. I was told that last year over 50 people from one parish of some 200 families alone reluctantly had to leave for the United States of America to seek work. This is the pattern in every other parish of my county as well as in many other parts of the province.

I emphasize that this is an intolerable situation and I entreat the government to pay heed to it before it assumes still more serious proportions. The only thing I am asking for these people is an opportunity for them to get work and earn an honest living in the country in which they were born, in which they live, and, what is much more important, in which they wish to remain. They have an inherent right as good honest God-fearing citizens to ask that of the government of their country.

With respect to the economic problems in the province of New Brunswick I should like at this time to make some remarks in line with the recommendations and observations made by the premier of the province, the Hon. Louis Robichaud, at the dominion-provincial conference in July last. After reminding the conference that the province of New Brunswick was one of the original partners in the Canadian confederation, Premier Robichaud stated that when we united with Nova Scotia and the then province of Canada to form a new dominion in 1867 we did so with great expectations. Indeed, when we agreed to the confederation pact in 1867 we earnestly expected that at all times through the years of the development of this new country our economic growth would at least keep abreast of the growth of the other partner provinces.

This expectation, unfortunately, did not materialize and the maritime provinces as a whole are lagging far behind most of the other provinces in economic growth and economic expansion. This situation, we submit, is not conducive to national unity, and to national welfare. In his opening remarks at the federal-provincial conference of November 1957, the Prime Minister said the following:

> We believe that this federation cannot thrive in a climate of glaring disparities in levels and standards of service and development as between the several provinces from Newfoundland to British Columbia.

This is a common belief everywhere in the Atlantic provinces. We also submit that the lack of economic and industrial development compared with the rest of the country is responsible, in the Atlantic provinces, for an unduly large proportion of our people engaging in marginal or submarginal activities. We believe that if the standard of living of our people is to be raised to the national standard the government of Canada must co-operate with the provincial governments of the Atlantic provinces in creating a climate which will provide an incentive for the growth of manufacturing industry.

In what way can the federal government co-operate with the government of New Brunswick and other Atlantic provinces to bring about these desirable incentives for the development of these provinces? First of all, we must stress the importance of having a more flexible monetary policy for our provinces. We have heard a lot about this matter in the course of the last two federal elections. It was then called the tight money policy. It formed a part of the famous Atlantic resolutions about which we heard so much at that time and about which we have heard so little since. Well, tight money is still with us in New Brunswick and in the other Atlantic provinces, and its paralysing effects are painfully borne by the provincial and municipal governments and by all areas of industrial activity. Special policies should be enacted which would render possible borrowing on easier terms and at lower rates by all these corporate bodies and by all levels of governments if we want to attain the objective of an expanding economy in the Atlantic provinces.

Besides the ability to borrow at lower rates we also need incentives in the form of tax concessions to promote the industrial development of our provinces. A capital project development fund, such as recommended by the royal commission on Canada's economic prospects, is also pertinent to our economic and industrial growth. This commission recommended that the federal government agree to contribute a substantial sum for capital projects in the Atlantic area to be spread over a relatively short period of years. The purpose would be to cover the costs of necessary capital investments some or all of which would normally be the responsibility of the provincial government.

In the field of transportation, we in the Atlantic region continue to stress the necessity of the Chignecto canal project as a national extension of the St. Lawrence seaway. Without it the impact of the seaway on the maritime region may well be adverse. Now that the federal government has the benefit of the views of the new Minister of Forestry, who always was such a strong promoter of this project, perhaps we can look with greater confidence to its early commencement.

Adequate federal-provincial fiscal arrangements are also vital to the welfare of New Brunswick's economy. A few statistics for the enlightenment of the subject might well be useful at this time. From 1950 to 1959 provincial government costs in New Brunswick showed an increase of $39 million while receipts from the federal government rose by only $20 million. The difference was met by the New Brunswick taxpayer. In the same period of ten years municipal expenditures, excluding school board expenditures, rose from $17 million to $38.6 million, another increase of more than $21 million added to the tax burden. I have stated that the costs of construction, maintenance and operation of our schools were not included in the above figures. These costs, of course, also increase the tax burden.

In the light of the number of people we have in New Brunswick with a population in the vicinity of 600,000 who are called upon to bear a tax burden of such abnormal proportions, the above figures are nothing less than staggering particularly when we know that New Brunswick's per capita personal income is $967 compared with a per capita personal income of $1,767 in Ontario. Having regard to the burden of provincial and municipal taxation in New Brunswick, neither the province nor the municipalities are in a position to increase taxation to meet the growing requirements of our people.

We submit that the government of Canada must face this fact in the light of a situation in which the brunt of increased governmental expenditures is falling on the provinces and municipalities. It should be pointed out that to the degree that the province of New Brunswick receives a larger

share under the federal-provincial tax-sharing arrangement the municipalities will benefit in that they receive approximately one sixth of the provincial revenues from this source.

For these and the other reasons I have mentioned I submit with respect that the federal government should lend adequate assistance to permit resolving the many serious economic problems besetting the people of the province of New Brunswick. We in New Brunswick do not like our position of poorer citizens of the nation. We demand the opportunity to raise ourselves in self-respect to the levels and standards of common national acceptance.

May I conclude with a piece of friendly advice inspired by the reminiscence of an event which happened in New Brunswick on June 27 last. On that day the fate of the provincial government was staked on the faith of its close and friendly relationship with the present federal government. The rest is history. Unless this federal government is ready to deal with the plight of the Atlantic provinces at the present time the grave forebodings now hovering over the blue Atlantic skies are threatening to engulf its existence with the woes of devastation and oblivion, come the day of the great reckoning.

Mr. W. F. Matthews (Nanaimo): Mr. Speaker, some of the hon. members of the opposition tonight must have a hangover from the recent convention. When I came into the chamber I noticed three of them sitting in the treasury benches.

Mr. Pickersgill: How many cabinet ministers did you see there?

Mr. Bell (Carleton): One sure thing is that hon. gentlemen opposite will never be on this side under any other circumstances.

Mr. Matthews: I suppose those hon. gentlemen were sitting there dreaming out loud. It reminded me of the story I read in school years ago when I was a boy about the dog running across the bridge carrying in its mouth a small bone which it could handle. The dog made the mistake of examining his reflection in the water where he saw another dog with an even bigger bone.

Mr. Pickersgill: That was the Minister of Finance (Mr. Fleming).

Mr. Matthews: The dog jumped in to try to get the larger bone and consequently lost the bone he had been able to handle. No doubt that is what those three hon. gentlemen were dreaming about as they were sitting in the treasury benches.

I am pleased at having this opportunity to rise in this house to speak in the budget debate. I should first like to congratulate the Minister of Finance (Mr. Fleming) for the wonderful job he is doing for Canada. His great ability has been singularly evident to all since he accepted this difficult and important office. The work of this government has appealed to the majority of Canadians. It seems to me that businessmen everywhere are grateful because this government is doing something that should have been done years ago for the good of all Canadians.

Without doubt we have had some fine contributions from hon. members in this debate. Some hon. members read their speeches in full, some refer to notes and still others refer to newspaper clippings. I am reminded of the remark made by Will Rogers many years ago. He said, "All that I know is what I read in the newspapers." I do not believe this was true of Mr. Rogers but it certainly appears to be true of some hon. members of the opposition.

Some hon. members opposite made up their minds some time back that they would not like this budget. No matter what they may think about it, they certainly made up their minds that they would not say anything good about it. That appears to be what has taken place.

I see good in the budget, just as I see good in the future of all Canadians. Whenever I hear anyone knocking a program or a sincere effort to do a good job I personally like to check and search for the truth. The truth is that this baby budget has been well received by most of the people of Canada. With the exception of some hon. members of the opposition to whom I have listened I have not personally heard one person say that he did not like it. It has given new hope to many businessmen in Canada. With respect to hon. members of the opposition who criticize the budget I can only say that they have an axe to grind.

Certainly prospects look good for Canada in 1961. We are very sure in my constituency that 1961 will be a very good year and 1962 even better. However we have to make sure that all Canadians are properly informed of the facts and I am sure that will be done by this government. Every effort is being made at the present time to give the Canadian people the real truth about what is going on in their parliament. I am very glad to note that there is a much more cheerful attitude among Canadians at this time. I believe that the work the Conservative government is doing is in large part responsible for that

change. This bears out the fact that conditions are not as bad as some very poor painters have been trying to paint them for some time now.

During its long term of office the Liberal party failed the people of Canada by not building for the future. They were so busy building up a large surplus—no one will ever know why—that they caused a slump in Canada, the slump through which we have just passed. They now have the nerve to ask where this surplus has gone. Everyone knows where it has gone; at least every right-thinking person knows.

There is apparently no cure for unemployment. Even the Liberal party could not cure it in the 20-odd years in which they were in power nor did they make any attempt to prevent it. Now is the time for the government to make a full study of the subject and educate Canadians concerning how to train young people starting out on their first jobs.

I ask that this government also review the amounts that are paid to our senior citizens and to carefully check and revise war veterans pensions. The Canadian Pension Act and the War Veterans Allowance Act should be revised to make possible payments comparable with the increased cost of living. All hon. members know that all the people affected by this legislation are entitled to every consideration. When one checks the records and sees how very little the previous government did for our senior citizens and veterans during the 20-odd years of their stewardship when the government had the large surplus about which hon. members of the opposition now brag one wonders how hon. gentlemen opposite could have the nerve to ever ask these people for their support.

I was surprised when the Leader of the Opposition (Mr. Pearson) spoke on the budget to hear him make the statement that half a million people in this country have no means to live on at all except unemployment insurance. That statement is not true; it is very misleading and I was disappointed that the Leader of the Opposition would ever make such an untrue statement. It must have been made to confuse and discourage the people of Canada.

A manager of an unemployment office in the west to whom I was talking a few weeks ago told me that of the people listed in his office as unemployed about 1,000 were not unemployed and certainly should not be classed as unemployed, and yet these are figures that the members of the opposition are using. Some of them were listed for better jobs, some were people who could not work, some were loggers who were off for Christmas, some were fishermen who were off because their fishing season had closed down. The statement of the Leader of the Opposition that the unemployed have nothing to live on except unemployment insurance is not a statement that a thinking man would make. I would say right now I am sure the Leader of the Opposition, when he considers the matter, will acknowledge that it is a poor statement to make.

Some of the half million are wives whose husbands are earning good wages, and yet this man rises in his place in the House of Commons and says that the only thing the unemployed have to live on is their unemployment insurance. Some of the men are from the forest industry which closes down for Christmas, loggers who have worked most of the year, and the loggers in British Columbia make very good money. They are good workmen; they are worthy of their hire; some of them are on piecework. They are all really good workers. It is quite surprising the amount of money they can make during the season, and yet the Leader of the Opposition says that they have nothing to live on except their unemployment insurance. Some of the commercial fishermen are businessmen with boats worth thousands of dollars, and yet the Leader of the Opposition says they have nothing to live on except unemployment insurance.

This statement of the Leader of the Opposition serves only to discourage the people of Canada. We can well imagine the effect that this program of regain power by fear has on the unemployed. Some unemployed Canadians with families to support regain new strength and faith to try again. He rises in the morning, determined to go and seek employment. At breakfast time he hears the radio blast forth the dire predictions of the Leader of the Opposition. He sees the sombre face of the hon. member for Essex East (Mr. Martin) glaring at him from the page of his newspaper, and then reads the message of gloom about the number of people out of work that the hon. member has uttered at some meeting the night before, numbers that have been stretched. I think the people of Canada have had enough of this type of politics.

This is 1961. Let us start an up-to-date, cheerful and helpful approach to the problems of our country. The opposition have time and again tried to make Canada's unemployed into a weapon to defeat the government. It is a shame that any group should use such a subject to harm Canada's wonderful future.

We have weather reports in our newspapers and on our radio and television every day.

These reports are as true a picture as the weather department can make them. They never tell us that there is a storm if there is no storm. To make sure that the opposition does not use the unemployed numbers game, which is just as dishonest as the numbers racket used by the Chicago gangsters, I would suggest that a weather chart type of report be set up for the unemployed. This chart would show how many are out of work because of seasonal shutdowns, how many are out of work because they are not able to hold a job, how many are working but are just listed for employment in a better position.

Through you, Mr. Speaker, I should like to thank the Liberal opposition for the amusing aspect of the four-ring circus held recently. Most of the things that came out of that effort came strictly under the heading of comedy, and the Minister of National Revenue (Mr. Nowlan) should collect amusement tax on it. Even over television it was apparent that it was a four-ring circus. One ring was at the Chateau; one ring was at the Coliseum and the other two rings circled the eyes of the Leader of the Opposition when the other mike would not work.

All hon. members will recall the good old days of the circus. They will remember the circus barkers who were always a drawing card with their exaggerated appraisals of the junk they tried to sell, but sold only to the unwary. We all remember those barkers and how they operated. Hon. members will recall how they dressed. They had a hard hat or christy stiff. They worked in their shirt sleeves; they wore arm bands with bow ties to match. I can even remember the pitch they made. Step up, ladies and gentlemen; I have something that should be in every home; it will cost you only 50 cents, folks, half a dollar. Watch carefully; I will show you how this handy can opener works. It works on square cans as well as on the round ones. Do you know what I am going to do? I am going to give the first ten purchasers a roll of bandages and a bottle of iodine absolutely free with each and every can opener; a free bonus for you, folks. You say you are not satisfied; you say you want more for your money? Step up closer, folks, I have hardly started. Do you know what I am going to do? I am going to throw in one of those combination fly swatter and potato masher, all for 50 cents, folks.

Then, Mr. Speaker, the handsome ringmaster makes his announcement: Now, ladies and gentlemen, cast your eyes to the centre of the ring and you will see one of the wonders of the age, you will see the India rubber man of Essex East. Toss in a one and he will stretch it to ten. Toss in a 20 and he will stretch it to 90. Toss him 1,000 and he will stretch it to 2,000. Give him an inch, and he will stretch it a mile. You have found this out, Mr. Speaker, on numerous occasions.

The spotlight is now on the Bonavista magician, who will give a stellar and spectacular act of magic. He will draw an egg out of a hat. We do not say what kind of egg; it may be good, it may be bad, it may be only part bad; it may be a round egg, it may be a square egg; but, ladies and gentlemen, it will be an egg. There you are ladies and gentlemen, the trick has been done. Right before your very eyes, the Bonavista magician has removed his hat.

The barker of the Liberal party now talks like the circus barkers of old, Mr. Speaker. Ladies and gentlemen we will give you absolutely free, at no cost, folks, free health care, free education at all levels, higher old age pensions, reduced taxes, lower tariffs at no cost to you, with the taxpayer's money. At the circus, Mr. Speaker, you pay your money and you take your chance. With the Liberal government you certainly pay your money and you certainly take your chance.

(Translation):

Mr. Maurice Bourget (Levis): Mr. Speaker, I would not like to follow the example of the hon. member who has just sat down, because I believe that, as a member of parliament we should show more responsibility when speaking in this house. I do not know whether I understood his words very well, but I seemed to hear him speak of "yappers". Now, if there has been any "yapping" done it has been done by the ministers or by certain Conservative members themselves, at the time of the rally which took place on the ninth, tenth and eleventh of January last, when they roamed about the country trying to steal the publicity in the press from us by repeating the same speeches over and over again.

Mr. Chevrier: And the same nonsense.

Mr. Bourget: Mr. Speaker, in rising tonight to take part in this discussion, I do not propose to deal with the various measures suggested last month by the Minister of Finance (Mr. Fleming) in his budget speech, or rather I should say with the absence of measures which characterized that speech.

I believe that the various Liberal members who took part in this debate have clearly and effectively pointed out the weak points in the present administration.

Mr. Speaker, I want to take the opportunity of tonight's discussion to draw the attention of the government, and particularly that of the Minister of Transport (Mr. Balcer), to two questions. I am sorry that the

Minister of Transport should be absent at this time, because the matters I want to deal with come under his department.

The first question is of primary significance for some districts in the province of Quebec and also for a number of C.N.R. employees.

I know that the government—and more particularly the Minister of Transport—is aware that a policy of administrative readjustment was announced last summer by the president of the Canadian National Railways. The object was the decentralization of authority and the introduction of more modern methods of administration.

It is well known that the national railway network is now divided into five regions, i.e. the Atlantic region, the St. Lawrence region, the great lakes region, the western region and the mountain region.

As a result of that innovation, the Atlantic region extends westward as far as Riviere du Loup, on the former Intercolonial Railway route, and up to Charny, in the riding of Levis on the route of the former transcontinental railway. That region with a main office in Moncton, New Brunswick, also includes the whole Newfoundland network. Divisional offices are located at St. John, Newfoundland, at Campbellton and at Moncton.

Since those changes were announced and even before representations were made to the management of the national railways by various municipal councils and public bodies, more particularly those located in the part of the province of Quebec which is now included in the new region.

Mr. Speaker, I myself, on various occasions, had the privilege of discussing the matter verbally, and even subsequently in writing, with the relevant authorities, and, to my mind, the representations made by those public bodies and others concerned were based on fairness and common sense.

The government will admit, as I do, that there is a greater chance of reaching a maximum of efficiency if the officials of the C.N.R. come to terms with people who have the same traditions, are ruled by the same laws and speak the same language. As things now stand, one can easily realize the difficulties that confront the various ethnic groups of this area, and I want to state now that I would not blame or criticize in any way the officials or the employees of that region, because I am sure they try to give the best possible services to the customers and to the population of their district.

[Mr. Bourget.]

However, it can logically be claimed that there is a risk that the part of the province of Quebec which is situated in that region, may not be served adequately in the matter of industrial development. Since the management is located in another province, it can be reasonably expected that disputes will arise which, in the final analysis, will not serve the best economic interests of our railways and of the regions concerned.

In fact, how can we hope that the rural population of the area I just referred to will quickly settle the many problems of its own jurisdiction, such as the matters of drainage, of railway crossings, culverts and so on?

As recently as two months ago, I personally had the opportunity of ascertaining that fact. The Quebec department of highways having decided to widen a road in a certain parish of my constituency, the C.N.R. consequently had to widen their right of way at the point where their two lines crossed that road. One of those railway lines was under the supervision of the Quebec division and the other under that of the Edmundston division, Atlantic region. The work on the line under the Quebec district was performed quickly and at little cost, while it took much longer, many phone calls and much correspondence to have the work done on the line under the Edmundston division, and this at higher cost.

This is an example, among many others, of a situation which certainly did not improve the relations that must exist between our population and the Canadian National Railways.

Mr. Speaker, I might add that there are also difficulties and disadvantages for the employees who have to go to work far from their homes. I know that, because of their duties, English-speaking employees as well as French-speaking ones, are regularly called to work in regions where the language spoken is different from their own. I need not add that this situation quite often causes regrettable problems.

At the beginning of my remarks I said that the system is now divided in five regions instead of the former three. Of all those new regions, the only one which apparently has been enlarged those last few years is the Atlantic region, as a result of the addition, in 1949, of the Newfoundland system and, today, of the Armagh division which formerly was in the central region.

For all those reasons, I believe that the western dividing line of the Atlantic region

should be changed so that this area of the province of Quebec, which now is in that region, may be made a part of the new St. Lawrence region by keeping its divisional office in Levis, and, if necessary, establishing another office in Riviere du Loup, Rimouski or Mont-Joli.

So, I ask the Minister of Transport—once again I am sorry not to see him here—to make direct representations to the management of the Canadian National Railways to have those changes made, and I can assure him even now that he has the unanimous support of all the people concerned.

I would also like to raise, Mr. Speaker,—

(Text):

Mr. Creaghan: Mr. Speaker, I wonder whether the hon. member would permit a question before leaving this point.

Mr. Bourget: Certainly.

Mr. Creaghan: I am sure the hon. member is well aware of the fact that Moncton is, and has been, the Atlantic regional office and, since the days of the Intercolonial Railway, the rail centre of the east, and when you consider that fact and also that the north shore of New Brunswick and the east coast of New Brunswick is today populated by about 50 per cent French speaking people, you will realize that the railway management decision to establish the regional office in Moncton is a good one.

Mr. Bourget: Mr. Speaker, I hope the hon. member will have occasion to read my remarks. I do not know if he understood them because I was speaking in French. However, I hope he will read the reasons why this part of the province of Quebec, which is now part of the Atlantic region, should have been put into the new St. Lawrence region that has been created. I stated at the same time that we have no complaint to make about the administration given by the officers of this region. I just mentioned the fact it would certainly be easier if that part of Quebec comprising the area from Matapedia to Gaspe and from Riviere du Loup to Matapedia were part of the new St. Lawrence division.

My hon. friend knows, as I have stated previously, that the Atlantic region was extended in 1949 by the addition of the system located in Newfoundland. I would not say that I have discussed this with officials of the Canadian National, but I think the official of the Canadian National located in Moncton will tell my hon. friend that their region is now a little too large for effective administration.

(Translation):

Mr. Speaker, I should like to bring up another point which has to do with the C.N.R., more particularly with their employees. I very often have the opportunity to meet some of them, as several of them live in my own constituency. During those conversations, I found out that many of them—and I presume that this experience of mine is similar to that of several of my colleagues on both sides of this house, in various circumstances, because I readily believe that conditions are the same in my area as they are elsewhere—at any rate, as I was saying, I had the opportunity of talking with several of those employees and I found in my conversations with them that, at the present time, they are fearful and feel insecure on account of the many lay-offs taking place in recent years in the company. In fact, if my information is correct in this regard, I believe that in these last few years an average of 4,000 to 5,000 railway employees have been laid off each year. I feel that in such circumstances, we cannot expect the morale of those people to be high, when they see their colleagues with 20, 25 or even more years of service lose their jobs. They are afraid, and rightly so, that the same thing will happen to them sooner or later.

If I raise that matter, it is because, in my opinion, those employees form a separate category, in the sense that they have more difficulty than others in finding new jobs when they are laid off.

In fact, they fulfill the same functions for years, functions which, in general, are particular to the railways. So it is rather difficult for them to find jobs in other industries that could be in need of their services.

Furthermore, most of them having reached or passed 40 years of age, that is an additional handicap in the process of finding new jobs.

In my humble opinion, three main reasons seem to be at the basis of those lay-offs. The first one is the reorganization and centralization of services; the second is the result of new technical developments, the introduction of diesel engines and automation. The third one is due to the practice, which the Canadian National Railways has been following for the last few years, of having some works carried out by other companies.

As for the first reason, it seems to me that any reorganization should be done in accordance with a well considered plan, spread

over a sufficiently long period, which would make it possible to foresee necessary lay-offs.

With those facts on hand, a special committee could be set up to find ways and means of re-educating the employees concerned, so that they may adapt themselves to other available jobs resulting from the changes that will have come about.

Now, let's consider the second reason. There is no doubt that the introduction of new developments and of automation has resulted in equal productivity with a smaller number of employees.

I wonder if, in that case, it would not be appropriate to set up a system whereby the employees would devote a few days each month to the taking of theoretical and practical courses, in order to improve their general culture and knowledge of their respective trades. The workers could thus become more efficient and insure at the same time an increased production.

Of course those workers should, in that case, get the same salary, plus the benefits I have just mentioned. Such a system would also improve the employment situation. Perhaps it will be felt that it would involve additional expenses. Even if that were the case, I am sure that it would bring about appreciable dividends in the long run and that it would help provide a highly qualified labour force.

About the third reason, I believe the Canadian National Railways should entrust to its own employees a good part of the works which are now entrusted to private enterprise, unless it is a case of specialized works.

Our national railways, in particular, now has engineers, architects, and employees, who have a vast experience in all fields of construction, and I have no doubt that they could carry out those works as well, and at a cost that would be as advantageous as private companies. In that way, the laying off of many employees could be avoided.

Without entering into further details, those are, Mr. Speaker, the few suggestions I wanted to make to the government, and particularly to the Minister of Transport (Mr. Balcer) in connection with the Canadian National Railways and its employees.

If the Minister of Transport feels they can be useful, I hope he will not hesitate to discuss them with the officials concerned.

[Mr. Bourget.]

Let me now briefly refer to another question of great importance for the areas where shipyards are situated.

As the representative of a constituency particularly interested in shipbuilding, I want to draw the government's attention once more to the conditions prevailing in that industry. It is generally recognized today that operations in this field have substantially decreased and, unless the government takes vigorous action, we might rightfully wonder if the industry will survive.

At Lauzon, we have two shipyards. One of them now has 746 employees, whereas there were 1300 at the same date last year, and almost 1250 in January 1959. I have been informed that, by the end of February this year, the present number of 746 will be down to 600. They are now working on two ore-carriers, one of which is due to be completed in four weeks and the other in 18 weeks. After that the shipyard will only have a tanker and an escort vessel to build for the government. As the work on the last two ships is not to be finished before 1962 or 1963, the company will be unable to employ all the labour normally working in the shipyard.

The situation is still worse in the other shipyards as there are now only about a hundred men working there. That number will gradually increase to 300, because of a repair contract. However, I am told that this repair work will have to be completed at the beginning of April, and that will cause an important decrease in the number of people employed by the shipyard, and the latter will be left with only a little ship 120 feet long to build for the government.

But, Mr, Speaker, the sad plight of our shipyards at home does not differ from that of other shipyards in this country. Apart, perhaps, from two or three shipyards, the situation is hardly more encouraging elsewhere, for the 16 or 17 which exist in Canada.

Last December, I had the opportunity of reading the brief sent to the leaders of the various political parties, by union officials who pointed out the urgency of helping that industry, and, who at the same time submitted interesting suggestions.

I also read letters from shipyard employees in British Columbia who complained of losing their jobs and deplored the fact that many qualified men were emigrating to the United States in order to find some work.

Some time ago I read an article dated August 1960 in the Vancouver *Burrard News* which was entitled "Challenges facing our industry", which reads as follows:

(Text):

No one even remotely connected with the shipbuilding industry in Canada could fail to note that it is going through very difficult times. Payrolls have been going progressively down and, at the moment, there is no clear indication that this will change. The full impact of the St. Lawrence seaway, with our coastal trade open to ships of the U.K. registry, is having its effect in eastern Canada and there are several yards on the great lakes with very precarious futures. As a matter of fact, shipyard mortality would have been earlier—and higher—had it not been for the naval program and government new construction of the past dozen years.

(Translation):

Now, here, Mr. Speaker, is an excerpt from an article by Mr. John Meyer, financial editor of the Montreal *Gazette*, dated September 9, 1960. I quote:

(Text):

There is no question that the industry needs assistance.

Speaking of the industry, he is speaking, of course, of the shipbuilding industry:

Employment is at a ten-year low at a time when contracts for seaway carriers are being placed abroad by Canadian operators. Quite apart from these considerations is the well established precedent of assistance given the industry by other maritimes nations. The Canadian industry, handicapped by high costs, should not be required to meet the second handicap unassisted by the benefits given its competitors by their governments.

(Translation):

As one may realize from reading those articles, they confirm exactly what I said a few moments ago, namely that this industry is now in an alarming situation.

No doubt the federal government can help by awarding contracts for the construction of the necessary ships for our navy and our various departments, but this assistance alone is inadequate. To insure the survival of this important industry and to prevent the lay-off of thousands of workers who will swell the already high figure of the unemployed, other measures than the existing ones will have to be taken.

Before I go ahead with the suggestion I want to make, I would like to call the government's attention to the fact that the northern area of our country is bound to experience a considerable development. Consequently, I think that right now, we should build or at least make plans for the construction of ships that will be needed for the transportation of the men, supplies and materials necessary to the development of our northern areas.

I am surprised and sorry to see that the government has not yet a program to put forward in that connection.

I said earlier that the government will have to take vigorous steps to insure the survival of our shipyards, since the assistance received by this industry is inadequate and much less than the assistance received by shipyards in other countries.

We all know also that shipbuilding is more expensive in Canada than in European countries. Consequently, ship owners prefer to have them built overseas. As an inducement to owners to have this work done in our Canadian shipyards, here are the suggestions I want to offer to the government.

Any company or individual who would like to have a ship built in Canada should make a down payment equal to 20 or 25 per cent of the total cost of the ship. The rest of the required money would be either loaned directly or guaranteed by the government and repayable in eight to ten years, at a reasonable rate of interest.

Under the existing act providing assistance to shipbuilding in Canada, the owner is entitled to 100 per cent depreciation over a period of three years. I believe that depreciation could be increased substantially—in Great Britain, for instance this depreciation is 140 per cent. Should this depreciation be substantially increased, the owner of the ship, or the person ordering it, could be forced to pay into a special fund a substantial part of his earnings from this form of tax depreciation. This special fund would be administered by the government and the owner could use it afterwards only for the replacement of his old ships, for their transformation or for the construction of new ones in Canadian shipyards.

This is the outline of the plan I submit, Mr. Speaker; I leave it to experts to put it in legislative form if it is considered an interesting plan.

I think that this proposal would encourage small and large owners to have their ships built here in Canada. At the same time, it would cost very little to the government since the government would have a chance to get that money back through sales tax and income tax. In this way, the government

would also help create new jobs by increased activity in our shipyards.

Quite recently I read an article in the *Financial Post* of January 21, 1961, indicating that our shipyards might in the near future be awarded contracts for the construction of submarines to be used by the Royal Canadian Navy. Towards the end of that article, the Minister of National Defence (Mr. Harkness) was mentioned as having stated that a study of the matter had been made by the navy especially with a view to finding out whether our shipyards were able to build those submarines.

Well, I hope the minister is now convinced that it is possible. Our shipyards now have all the facilities required as well as the experts and skilled labour to proceed with that kind of work. I am told that they are even able at the present time to build aircraft carriers.

Those are, Mr. Speaker, the remarks I wanted to make on such an important question not only for our shipyards and the workers concerned but also for the nation as a whole.

I have only half a minute left, Mr. Speaker, and to conclude my observations, I shall quote what the President of the United States, Mr. Kennedy, said during his presidential campaign concerning assistance to shipbuilding. He said:

(Text):

If the domestic merchant fleet, so strategic to the nation's economy and to its defence, is to be kept alive—and it must be—government must lend a hand. Steps must be taken to insure fair treatment of domestic shipping vis-à-vis other forms of transportation.

Mr. Arthur Smith (Calgary South): My first remarks are, of course, in all sincerity, an expression of congratulation to the Minister of Finance (Mr. Fleming). I say this in no perfunctory way, but recognizing the responsibility which the hon. gentleman has to carry, and not only in the presentation of this preliminary budget. The Minister of Finance, perhaps more than anyone else, is responsible for both the economic and the financial aspects of state affairs; he is an individual who not only in Canada but throughout the world is recognized as one of the great men in public life and as one belonging to the generation which was privileged to serve with him I shall be proud to say in the future that I was privileged to sit in this House of Commons with him.

I do not propose to spend very much time on laudatory remarks which might well be repetitious. I can say, though, with reference to the comments of my colleagues on the other side of the house, that since it is obvious this preliminary budget was developed some time ago to provide a stimulus to the economy it is not surprising they were not happy with it because I can recall the words of a commentator, Charles Templeton, a devoted defender of Liberal policy, he stated, that he hoped a depression would take place and that this would mean the return of a Liberal government. This, I suggest, is exactly the attitude taken by the Liberal party.

I intend to be extremely brief and to deal with only two main points, but it would be remiss of me, having expressed my view in support of the budget as a whole, if I did not say something of the concern expressed over one particular aspect of this budget and its impact on an area which affects the constituency which I represent and, indeed, the province from which I come. I would be unrealistic if I attempted to ignore it.

I am sure the minister and the government recognize that I am referring to certain provisions which might suggest a lessening of United States investment, or foreign investment coming into Canada to underwrite capital development, particularly in our extractive industries. I can fully appreciate the intention of the government and, in particular of the Minister of Finance, I can understand the desire that more Canadians should invest in Canadian undertakings and resources. That is a most commendable desire and one with which, I am sure, no one on this side of the house differs. With regard, then, to the impact of certain provisions which may affect borrowing from the United States and investment by United States investors, the eventual effect of the minister's decision, the long term view is, in his expectation, that it will prove of benefit to Canadians when weighed against the short term advantages, perhaps, of obtaining investment from the United States.

If we look at it in this light I think these long term advantages will be very real, but I suggest to the Minister of Finance that this action must be coupled with further incentives for Canadians to invest in the development of these resources, and this can be provided by amending certain of our taxation statutes so that Canadians will indeed be encouraged to invest in Canada. These statutes will be all too familiar to the hon. minister.

I could, of course, be more specific and take as an example the petroleum and natural gas industry with which I am most familiar. I suggest to the minister that when he brings down the main budget a provision should be

inserted which, in so far as depletion allowance is concerned, would permit Canadian investors to have the opportunity to participate in the development of their resources as have their United States counterparts. If this is done, our concern that Canadians may not invest in Canada will be reduced if not eliminated. Such a provision would, I suggest, be a necessary counterpart to the one provided in this connection in the budget which the minister has introduced.

There are two other aspects of this question which are equally important, and I think the most significant of them is one which relates to a psychological impact on our economy. We have, of course, heard and read the reviews and reports of every bank president reporting to their shareholders of their respective banks. They have made two basic comments. The first is the need for an easier money policy, as they describe it; the narrowing of interest rates as between Canada and the United States, again to provide an incentive for Canadians to invest in Canada. I think a great many people in this house could agree with that.

What is even more significant, they have pointed out that the Canadian economy is progressing and moving ahead. But, they have stated, there could be a state of mind brought about among Canadians which would discourage them from investing in Canada if certain groups of people continue to talk this country into a recession. I suggest in all seriousness Canadians must be optimistic. They must, of course, be aware of the difficulties which face our economy; they must recognize the problems which affect every aspect of our industry and of our development. But we should not place in front of them, especially, those of us who have a responsibility to give some leadership in this field, purely imaginary problems and difficulties which will only discourage people from investing in a country which has such a great future.

I had the opportunity in the past month of talking to a number of investment brokers, security analysts and representatives of similar organizations in the United States, and I think that we have perhaps created in their minds an impression that this country is opposed to foreign investment. For that reason I was extremely happy that the minister and his parliamentary secretary have made it abundantly clear that under the terms of this supplementary budget investment capital is still going to be required in great quantities. Obviously, when the minister states that we in Canada are attempting to encourage Canadians to invest to a greater extent in our own country, he has made an assessment of what our investment requirements are likely to be, particularly with regard to our extractive industries such as gas, oil and coal and so on.

Looking at one sector of this industry alone, it is apparent that since the first year in which the government approved permission for the export of natural gas we have only just begun to acquire the quantity of capital we will need in the coming years. Obviously when you export a cubic foot of natural gas you must process it, and extensive capital is required for plant construction before this can be done. Then again the development of pipe line transmission facilities will also require more capital.

I think it is important, therefore, that each of us, regardless of political affiliations, should make it abundantly clear to the United States that we shall continue to need United States investment in Canada. We cannot have it on both sides of the plate at once. We cannot enjoy a high level of development and prosperity if we attempt to utilize only Canadian capital. We must continue to encourage the inflow of new capital if we are to enjoy those benefits from a high level of prosperity which for the most part we now enjoy. In this respect I should like to say what I have said to those with whom I have spoken in the United States, that I believe we—and I say "we" in the sense of Canadians as a whole—are too often prone to look upon ourselves as poor relations of the United States. We often find it difficult to realize the extent to which we have developed this nation and we continue to remain unconvinced by the impressive array of facts and figures that can be summoned to indicate the extent of our growth.

It seems to me that we Canadians still have an important selling job to do ourselves, not only in relation to the United States but in our many markets abroad. We have to make our people realize the advantages of investing still further in Canada. I think we should destroy any illusion to the contrary. I make this point as one who comes from an area that still requires a great deal of capital. We must still continue to encourage this investment at every opportunity and without regard to its nationality.

I say this coupled with one other thought. Quite recently our Minister of Trade and Commerce (Mr. Hees) took what was perhaps the most constructive action taken in many years by any former minister acting in that capacity, that of bringing to this country Canadian trade commissioners from around the world and saying to them through the deputy minister: Gentlemen remember that you are indeed salesmen and not diplomats. We must realize that Canada is in a situation in which we are experiencing a serious degree of competition. I refer to the development of

the European common market, the inner six, the outer seven, the trade blocs of communist China and Russia, and the new impact of competition from the South American countries. Canadians will have to get out and sell themselves and their products as never before. Once again, in the same way in which I congratulated the Minister of Finance (Mr. Fleming) I congratulate the Minister of Trade and Commerce and say that we in this house and indeed people throughout Canada are happy that the same leadership is being provided in the field of commodity trade.

I said I intended to be brief but I should like to make one additional point perfectly clear before I resume my seat. My point is that the type of budget introduced, designed to give a stimulus to the economy, is basically sound. I should like to make clear to the Minister of Finance, nevertheless, that all of us wish to see more Canadians invest in this country. I believe this will come about if we provide to Canadians incentives in the form of opportunities to compete with their United States and foreign counterparts. If this incentive is provided I believe the program of the government contained in this budget will prove even more successful than we dreamed possible today.

In the area of Canada which I represent we are approaching what is perhaps one of the most interesting developments of all time. For example, we very shortly expect to hear the government make an announcement with respect to a national policy for the marketing of oil. We have already seen the impact of the export of surplus natural gas and its by-products. With the growing importance of this industry the western section of Canada is becoming something more than just an agricultural area. We require great confidence and great optimism about our future. I suggest we have no reason to look back but should look only forward to the future and the accomplishments that will be made possible under the policy supplemented as I have suggested, and which has been enunciated by the minister.

(Translation):

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to say a few words concerning the budget introduced by the Minister of Finance (Mr. Fleming) and deal briefly with the textile problem in Canada. Because of the difficulties facing that industry in this country, I want to use the last minutes at my disposal to repeat what the governor of the Bank of Canada said:

[Mr. Smith (Calgary South).]

The best way to check unemployment is to reduce imports in order to increase the production of those goods which are needed in our country.

That applies especially to the textile industry in Canada and more particularly in the province of Quebec. The number of people employed in the textile industry has decreased from 98,000 some ten years ago to 74,000 these last few years, or a decrease of 24,000. No doubt imports have something to do with the decrease in the number of those workers and yet that development occurred in a period when domestic consumption was on the increase.

Figures published recently in the periodical *Textiles* of January 1961 show that the share of our industries in our domestic market is now 47 per cent for various fabrics, from 48 per cent in 1959 and 66 per cent in 1950.

I could also give figures related to the production share of the Canadian market. For instance, since 1956 there has been a decrease from 75 to 70 per cent in the production of artificial or synthetic fibres. As far as cotton is concerned, while the production percentage was 51 per cent in 1956, it went down to 41 per cent in 1959.

As for woollens, production has decreased from 53.4 per cent in 1956 to 51.4 per cent in 1959.

Yet I remember that during election campaigns, especially that of 1957, when the Minister of Finance visited the constituencies of Sherbrooke and Drummond, he said: If you vote for the Conservative candidate, the question of textiles will be solved.

The Conservative government has now been in power for three and a half years and during that period we have seen a decrease in the number of employees and an increase in the volume of imports. Thus, last year we imported $45 million worth of textiles from Japan, an increase of $5 million a year since the Conservative party took over.

I should have liked to hear the hon. member for Sherbrooke on the question of textiles in this house. The hon. member for Sherbrooke—

Mr. Pigeon: May I ask a question of the hon. member for Drummond-Arthabaska?

Mr. Boulanger: When I have finished, of course.

Mr. Grafftey: That is untrue. The hon. member for Sherbrooke often referred to that question.

Mr. Boulanger: Mr. Speaker, the hon. member for Sherbrooke talks more often about textiles outside the house than he does here.

Mr. Grafftey: That is not true.

Mr. Boulanger: Every week, we read in the local papers statements made by the hon. member for Sherbrooke to the effect that the Conservative government has done much for the textile industry.

An hon. Member: That is false.

Mr. Boulanger: While we know what the situation really is. The textile situation is worse in Canada than it has ever been.

Mr. Chevrier: Plants are closing down.

Mr. Boulanger: Plants have been closed down. Those of Cornwall have closed down two years ago. Some are being closed down all over Ontario, and those that do not close their doors move to the Dutch Indies. In fact, we have noted that two or three industries had moved last year.

What is the government doing?

Mr. Grafftey: Much, and you know it.

Mr. Boulanger: Mr. Speaker, what is the government doing to remedy this situation? There is much talk, but no action.

Mr. Chevrier: Much verbosity.

Mr. Boulanger: Yes, verbosity—

Mr. Martineau: That is like the Liberals.

Mr. Boulanger: —and articles in the papers. We will remember that at the next general election, and most particularly the people of the province of Quebec.

Mr. Pigeon: You are playing politics over the matter, like the hon. member for Laurier (Mr. Chevrier).

Mr. Boulanger: While we have 528,000 unemployed in Canada, and the number of jobless is greater in the province of Quebec than in other provinces, textile goods are being imported—

Mr. Pigeon: That is probably due to Mr. Lesage.

Mr. Boulanger: Here is what the government should do. There are means of controlling imports of textile goods. There are means of stopping the export of our labour force to other countries; we even have special legislation to that effect, providing that the government may set up a price on imported goods which are being sold at a price lower than that of our domestic products.

We also have the anti-dumping legislation. But when is it going to be enforced? Two years ago, about 20 specialized inspectors were appointed to supervise imports, and most particularly those coming from the United States. Now a study of statistics reveals that imports from the United States are higher than ever.

Mr. Grafftey: That is not true.

Mr. Boulanger: What are those inspectors doing—

Mr. Grafftey: You are now at the other extreme.

Mr. Boulanger: Mr. Speaker, the hon. member for Brome-Missisquoi (Mr. Grafftey) lives in an area where the textile industry is very important, and I wonder why he does not take the floor to talk about the matter, instead of interrupting others.

Mr. Grafftey: Do you want an answer to that?

Mr. Boulanger: Why does he not talk about it in his constituency?

Mr. Pigeon: Mr. Speaker, could I direct a question to the hon. member for Drummond-Arthabaska—

Mr. Grafftey: The hon. member does not state all the facts.

Mr. Pigeon: You are afraid, I presume?

Mr. Grafftey: Would the hon. member allow a question?

(Text):

Mr. Deputy Speaker: Order. The hon. member who has the floor does not appear to be willing to permit the intervention. I would ask hon. members to let him continue.

(Translation):

Mr. Boulanger: Mr. Speaker, why don't they let me deal with matters of concern to the Canadian people in general and to the people of our region, the eastern townships, instead of showing fight. They are afraid to speak about the textile question. They have the right to do so as much as I have. The hon. member for St. Hyacinthe (Mr. Ricard) should come to the defence of the textile industry since there are a great many textile factories in his riding.

He should tell us what is happening to that industry in St. Hyacinthe, when two or three factories closed down last year.

Mr. Ricard: Which ones?

Mr. Pigeon: Name them.

Mr. Grafftey: The hon. member is a joker.

Mr. Boulanger: I could refer the hon. member for Joliette-L'Assomption-Montcalm to the speech I delivered last year in this house. He would find in it the names of the industries that have closed down in the province of Quebec. I mentioned about 20 of them.

Mr. Ricard: How many have resumed their activity since then? Four of them and you should say so.

Mr. Pigeon: The hon. member reminds me of the hon. member for Laurier (Mr. Chevrier). He talks nonsense.

Mr. Speaker: Order.

Mr. Boulanger: There is a great deal to be said on the subject of textiles. If I dealt with this matter for a few minutes, it was to awaken the suspicions of the members in whose ridings textile industries are found.

They will now have time to make ready to disprove the figures I gave tonight.

At that time, I shall take up again the subject of textiles at greater length.

In my region, the factories are reducing the number of their workers. The Dominion Textile had to close down for weeks, for want of orders. That happened mostly in Drummondville where the Dominion Textile specializes in the manufacture of fishing nets. This is because in the last few years, fishing nets have been imported from Japan and from other countries whereas those goods were manufactured in Canada three or four years ago.

The same applies to the material used in the manufacture of automobile tires. That material is now being imported.

As a result, workers find themselves out of a job. There are 528,000 of them in Canada and if the government does not take appropriate action, how many will there be in a month or two?

Those are the remarks I wanted to make, Mr. Speaker, in order that urgent steps be taken to put an end to imports in the field of textiles.

There is another matter I wish to bring to the attention of the house and this is agriculture. Today the farm people are discouraged on account of the legislation passed by this government.

It was said that the Conservative government would rescue agriculture, the family farm, the marginal farm.

What do we see? The Conservative party has left the farmer to his fate. He cannot sell the products of his farm at a price that would give him enough to ensure the subsistence of his family. As a result, farmers are leaving the farm.

Mr. Grafftey: Were you here yesterday?

Mr. Speaker: Order, order.

Mr. Boulanger: Now farmers are coming into the towns adding to the numbers of unemployed. They cannot find a job because they have no special skill nor the training required in industry.

What has the government done in this field to correct the situation?

Mr. Grafftey: Were you here or not yesterday?

Mr. Boulanger: I must say to the hon. member for Brome-Missisquoi that I was here yesterday and that I spoke on agriculture while he was absent. He is not here to be seen when we are discussing things which concern his riding. The hon. member was not in the house then and he is not interested either in agricultural matters.

Mr. Pigeon: He was here.

Mr. Grafftey: I am always here, my good friend.

Mr. Boulanger: But when I spoke on agriculture—

Mr. Grafftey: On a question of privilege, Mr. Speaker.

Mr. Speaker: Order.

Mr. Grafftey: Mr. Speaker, on a question of privilege. Some one just said that I was absent, and that I did not speak in support of the farmers in this house. Quite to the contrary, Mr. Speaker, I have often stood up for the farmers in this house. The hon. member should read my speeches.

Mr. Speaker: Order. I draw the attention of the hon. member to the fact that it is not relevant to the debate to discuss the attendance of other members and related matters.

Mr. Boulanger: Mr. Speaker, I have been provoked by insinuations to the effect that I was not in the house yesterday, when in fact I delivered a speech on agriculture. That is why I took exception to the statement of the member for Brome-Missisquoi.

Mr. Speaker, the subject of agriculture evokes the same reaction on the opposite side as the subject of textiles. However,

both are subjects of particular concern to the two main groups of citizens in our area.

The government members remind me of a flock of homing pigeons. Every day, one or two ministers board a plane to India, Africa, England, or the United States. They travel so much that they have no time to consult each other. That is why their statements are so often at odds, and they have to reverse themselves.

I might add that some great speakers, often heard in this house, including the hon. member for Joliette-L'Assomption-Montcalm—

An hon. Member: What are you reading?

Mr. Boulanger: Let me say to the hon. member who has just interjected that this paper I am holding is a blank sheet.

Some hon. Members: You don't say.

(Text):

Mr. Speaker: Order. It being 9.45 o'clock by two out of three clocks it is my duty, pursuant to section 6 of standing order 58 as provisionally amended, to interrupt these proceedings and put forthwith the question on the motion before the house.

The house divided on the motion (Mr. Fleming, Eglinton) which was agreed to on the following division:

Division

YEAS

Messrs:

Aiken
Aitken, Miss
Allmark
Asselin
Balcer
Baldwin
Barrington
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Best
Bigg
Bissonnette
Bourbonnais
Bourdages
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Stormont)
Campeau
Cardiff
Casselman, Mrs.
Cathers
Chambers
Charlton
Chown
Clancy
Coates
Comtois
Creaghan
Crouse
Danforth
Diefenbaker
Dinsdale
Dorion
Doucett
Drysdale
Dubois
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Forbes
Fulton
Gillet
Grafftey
Green
Grenier
Grills
Gundlock
Hales
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hanbidge
Harkness
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lafreniere
Lahaye
Legere
Lennard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macquarrie
MacRae
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McIntosh
McLennan
McPhillips
McQuillan
Maloney
Mandziuk
Martel
Martineau
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morissette
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Noble
Nowlan
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Payne
Phillips
Pigeon
Pratt
Pugh
Rapp
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rompre
Rowe
Rynard
Sevigny
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Speakman
Starr
Stearns
Stefanson
Stewart
Stinson
Tassé
Taylor
Thomas
Thrasher
Tremblay
Valade
Villeneuve
Vivian
Walker
Webb
Webster
Weichel
White
Winkler
Wratten—164.

NAYS

Messrs:

Argue
Badanai
Batten
Benidickson
Boulanger
Bourget
Carter
Chevrier
Clermont
Denis
Forgie
Garland
Godin
Granger
Habel
Hellyer
Herridge
Howard
LaMarsh, Miss
McIlraith
McMillan
McWilliam
Martin (Essex East)
Martin (Timmins)
Michaud
Mitchell
Nixon
Pearson
Peters
Pickersgill
Pitman
Ratelle
Regier
Robichaud
Tardif
Tucker—36.

Business of the House

WAYS AND MEANS

The house in committee of ways and means, Mr. Flynn in the chair.

INCOME TAX ACT

The Chairman: House in committee of ways and means on a certain proposed resolution to amend the Income Tax Act. Shall I rise, report progress and ask leave to sit again at the next sitting of the house?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire from the house leader what the business will be for tomorrow and Monday.

Mr. Nowlan: Mr. Speaker, tomorrow the house will resume the debate on the motion standing in the name of the Minister of National Revenue with respect to setting up a committee to deal with broadcasting. On completion of that item, No. 14, we will take up item No. 9, the motion standing in the name of my colleague the Minister of Transport to set up a committee on railways, airlines and shipping. On completion of that item we will resume the debate on the motion standing in the name of my colleague the Minister of Agriculture with respect to the legislation introduced by him. On Monday there will be a motion for the house to resolve itself into committee of supply.

It being 10.07 p.m. the house adjourned, without question put, pursuant to standing order.

ANSWER TO QUESTION

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

ST. LAWRENCE SEAWAY AUTHORITY—
W. B. CROMBIE AND D. FORGAN

Question No. 79—**Mr. Argue:**

Question

1. Are a Mr. W. B. Crombie and Mr. D. Forgan employed with the St. Lawrence seaway authority as consulting engineers on claims?
2. If so, what are their salaries, and what claims has each (a) investigated; (b) settled, since January 20, 1958?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. No.
2. N.A.

HOUSE OF COMMONS

Friday, January 27, 1961

The house met at 11 a.m.

BUSINESS OF THE HOUSE

WAR MEASURES ACT—REPORTED AMENDMENT THIS SESSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister if he could confirm or deny a report in the press this morning to the effect that during this session the government is going to amend the War Measures Act.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I did not see that report. However, I did have an interview with the press with regard to the War Measures Act. The government feels—and it expressed its feeling in this regard at the time discussions were taking place relative to the bill of rights—that some committee of the house might well consider the War Measures Act and, having considered it, make recommendations as to what revisions or amendments could be made to that act to render it a measure from which injustice would not follow.

I pointed out that while the War Measures Act remained on the statute books between world war I and world war II, it was regarded by constitutional authorities as inoperative during those years. I also pointed out that following world war II, extraordinary powers were taken by the government through action by parliament under such measures as the transitional powers act and the Emergency Powers Act which had the consequence of infringing or impinging on the constitutional rights of the provinces, and that I felt the declaration of an emergency should not be used by the federal parliament to invade provincial jurisdiction as was the case following world war II.

I feel and I think the Leader of the Opposition will agree, that a full and complete review of the War Measures Act would be following a course in keeping with the desires of Canadians as a whole. In time of war the measure is necessary in the interests of maintaining security, but in the days of peace there cannot be too large a degree of justification for its maintenance in effect without giving parliament at least the opportunity, through a committee, of fully considering the representations that have been made from time to time with regard to this legislation.

Hon. Paul Martin (Essex East): A supplementary question. Is the Prime Minister not aware that there is now on the order paper in the name of a private member indication of intention to introduce amendments to the War Measures Act in accordance with notice given by the government last year of its intention so to do?

Mr. Diefenbaker: Mr. Speaker, the government gave its answer last year. This is a matter which we believe should be considered by a committee, to the end that the best available consideration may be brought before that committee with regard to this legislation. It is not a matter for private members; it is a matter that affects not only parliament but also the constitutional rights of the provinces.

UNITED NATIONS

CONGO—REQUEST FOR STATEMENT ON CURRENT SITUATION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Secretary of State for External Affairs. Would the minister care to comment on the reported deterioration of the situation in the Congo and the statement by the Secretary General of the United Nations that the threatened troop withdrawals could bring the big powers into the Congolese conflict?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I would point out that the Secretary General of the United Nations believes that a serious situation would arise if there were a permanent weakening of the force through large withdrawals. I would say that his purpose is not so much to predict what the future may be in the Congo as to indicate that in his view the countries which withdraw from the force must take the responsibility for the consequences. It is true he has said:

> A severe weakening of the force may make it impossible for it to function effectively and would thus make necessary a proposal for the liquidation of the force and in consequence the entire U.N. operation in the Congo.

However, it would be going too far to suggest that the United Nations operations in the Congo are in imminent danger of collapse.

Mr. Argue: A supplementary question. Will the minister say whether Canada has been canvassed for a larger contribution to this force or whether we have made any offer of further assistance from this country in that regard?

Mr. Green: No, Mr. Speaker. As the Prime Minister pointed out yesterday, there has been no request for Canada to supply additional troops. I believe that requests have been made of other countries which are not now supplying troops.

Hon. Paul Martin (Essex East): So that we may have the matter clear, may I ask this question. Is it understood that the secretary general, in the note which he has sent to countries whose troops are in the United Nations force in the Congo, has not actually requested a further bolstering of that force by such member states?

Mr. Green: No, Mr. Speaker. The request would not be made in general terms of that kind. The request would be made to specific nations and, as has been pointed out, there has been no request that Canada should supply further troops. Canada actually has done very well when you compare her effort with the contributions made by most of the other member states of the United Nations.

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO CHANGES IN TAX SHARING ARRANGEMENTS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to ask the Minister of Finance whether any changes whatever are in contemplation with respect to the tax sharing arrangements with the provinces for the fiscal year 1961-62.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker the ambit of discussion at the dominion-provincial conferences on fiscal questions has been confined to measures in the period commencing April 1, 1962. There were two matters that I recall in particular that could have a bearing on the period prior to April 1, 1962, but broadly the discussions have been directed toward new arrangements to follow the conclusion of the present five-year period.

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask a supplementary question. Has the minister's attention been drawn to a reported statement by Mr. Frost to the effect that it would be impossible to present a budget, that is in Toronto, until the federal government position is known in this matter?

Mr. Fleming (Eglinton): My attention has not been called to this statement. I heard a reference to it on the radio this morning. Obviously this is a budget matter, and it would not be proper for me to comment on the plans of the Ontario government in relation to budget matters. Naturally I am not acquainted with the budget plans of that government, but it is conceivable that whatever fiscal arrangements may be arrived at in respect of the period commencing April 1, 1962, might well have a bearing on the budget plans of that government for the present year. I just do not know.

Mr. Martin (Essex East): The minister is not suggesting is he, that he is not on talking terms with the premier of Ontario?

Mr. Fleming (Eglinton): Oh, no, Mr. Speaker. I am sure that thought would not have crossed the mind of any hon. member but the hon. member for Essex East.

Mr. Hellyer: He just would not allow the premier of Ontario to get a word in edgewise.

Mr. Pickersgill: A supplementary question, Mr. Speaker—

Mr. Argue: A supplementary question, Mr. Speaker—

Mr. Speaker: I think I ought to hear the supplementary question of the hon. member for Assiniboia.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wonder whether the minister can inform the house whether a date has been set for a federal-provincial conference involving the provincial premiers in order to deal with fiscal matters.

Mr. Fleming (Eglinton): No, Mr. Speaker.

Mr. Argue: Can the minister say whether a conference will be held within the next month or two?

Mr. Fleming (Eglinton): I would not expect one would be held within the next short period.

Mr. Pickersgill: Mr. Speaker, if I may ask a supplementary question, is the government contemplating sending any communication on this matter to the provincial governments in the next month?

Mr. Fleming (Eglinton): Yes, Mr. Speaker.

TRADE

IMPORTATION OF FRUIT AND VEGETABLES FROM CUBA

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, yesterday the hon. member for Fort William drew my attention to an article in the *Globe and Mail* concerning the importation of Cuban tomatoes into Canada and asked this question:

Can the minister inform the house in what form the Cuban deal has been subsidized by the Canadian government?

In reply I wish to state there is no Canadian government subsidy involved in the importation of tomatoes or any other products from Cuba.

RED CHINA—INQUIRY AS TO NEGOTIATIONS FOR SALE OF WHEAT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Agriculture. In view of the reported important success of the Australian wheat board in selling 300,000 tons of wheat to China and the report that further sales of Australian wheat are being negotiated, can the minister say what efforts are being made by the Canadian wheat board and the Department of Trade and Commerce to sell Canadian wheat to China at this time?

Hon. Alvin Hamilton (Minister of Agriculture): As the hon. member has been told in the house twice already, discussions between the Canadian wheat board and the China Resources Company are going on at the present time, and it would not be in the public interest to divulge any of these discussions until an announcement can be made. All I will say is that we shall not have to hold a candle to anyone when the discussions are over.

POWER

COLUMBIA RIVER—REQUEST FOR DATE OF MEETING WITH PREMIER BENNETT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Finance whether he has yet arranged his visit to Victoria to discuss the Columbia project with the premier of British Columbia, which he announced to the press on January 6, I think it was.

Hon. Donald M. Fleming (Minister of Finance): Arrangements have not been made in a precise sense for the visit, but I hope it may be possible to arrange it relatively soon, Mr. Speaker. The federal government attaches very great importance, as hon. members are aware, to the development of the Columbia river, and has done all that lies within its power to assist and expedite the undertaking of the project. This still remains the very firm and urgent desire of the federal government.

So far as the proposed meeting with Premier Bennett is concerned, the premier indicated that it would not be convenient for him to come to Ottawa as he was busy with his plans for the session and his plans for his own budget. It was evidently thought I had nothing much to occupy my time in this respect, and it was suggested that I should go to Victoria. A visit to Victoria is always a very pleasant experience, and I am looking forward to that experience soon if the house will excuse me for the time necessary.

Mr. Pickersgill: May I ask the minister a supplementary question. If the minister succeeds in finding the premier of British Columbia when he gets there, does he intend to sweeten the offer he made in his letter?

Mr. Fleming (Eglinton): I am sure there will be no difficulty about finding the premier. He has indicated that he hopes the meeting will take place in Victoria. So far as the second part of the hon. member's question is concerned, I cannot imagine the offer would need any more sweetening. It is such a good, generous offer on the part of the federal government that I should think it would be irresistible.

Mr. H. W. Herridge (Kootenay West): May I ask a supplementary question. In view of the fact that press reports indicate that the energy board of British Columbia is not likely to make its final report prior to August 1, does the government expect to sign an agreement with British Columbia before that date?

Mr. Fleming (Eglinton): It takes two parties to enter into an agreement, let alone sign it. On the part of the federal government there is at all times a willingness to enter into an agreement along the lines indicated in my letter to the premier of British Columbia, in which this extraordinarily generous offer on the part of the federal government was put forward.

Hon. L. B. Pearson (Leader of the Opposition): I wonder whether the minister would like me to intercede on his behalf with Mr. Bennett, as I expect to be in British Columbia next week.

Mr. Fleming (Eglinton): All I can say is that I hope the Leader of the Opposition will not muddy the waters. I am not going to ask him to do anything except to keep out of this.

Inquiries of the Ministry

(Translation):

TRANSPORT

SOULANGES CANAL—INQUIRY AS TO FEDERAL DISPOSAL

On the orders of the day:

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, I should like to put a question to the Minister of Transport.

Could he inform the house whether he has received recently a bona fide offer or an official request on the part of some minister of the Quebec government with regard to the purchase of the Soulanges canal for the establishment of a fish-breeding centre?

Does the minister feel it would be advisable to hand over to the provincial government, under present conditions, the entire property of the Soulanges canal for the amount of $1, as the minister of youth in the Lesage cabinet has expressed the wish in his newspaper?

Does the minister believe—

(Text):

Mr. Speaker: Order. It is customary to ask only one question at a time. Perhaps the hon. member would allow his first two questions to be dealt with.

(Translation):

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, as a matter of fact, the Quebec minister of youth and welfare wrote me, on behalf of his colleague, the minister of game and fisheries, to inform us of the province's intention to acquire the federal property along the Soulanges canal in order to set up a park and a fish breeding station. I have also had a visit from the minister of youth who gave me some details on the intentions of the provincial authorities.

Since then, Mr. Speaker, I had occasion to visit the spot, and I found that the local people have expressed a wish that part of this property be reserved for development and industrial building. Many municipalities on the banks of the Soulanges canal have also made known their intention to approach the government to obtain certain pieces of land which they deem essential to their expansion.

Mr. Speaker, I should tell the house that this is a very important property. I believe it is possible to meet the needs of the riparian municipalities as well as those of the people concerned and the provincial government.

As far as the proposed setting up of a fish-cultural station is concerned, I can assure my hon. friend that our only aim in that transaction will be to help the public in general and the riparian population of the Soulanges canal.

Mr. Bourbonnais: Mr. Speaker, may I ask a supplementary question?

Does the minister think it would be better for the Soulanges area to establish a bird sanctuary, as suggested by the minister of game and fisheries, rather than promote the establishment of industries which would give employment to the people of Vaudreuil-Soulanges?

Mr. Balcer: Mr. Speaker, first of all, we want this property to become a sanctuary for human beings, and there is room both for industrial development and a fish-cultural station or a bird sanctuary.

Above all, we want to make sure that the interests of the people will be preserved, and that will be our first consideration.

Mr. Maurice Bourget (Levis): Mr. Speaker, I should like to ask a supplementary question to clarify the situation.

Since the Soulanges canal will no longer be under the Department of Transport jurisdiction, is it not true that it will be declared a surplus asset and transferred to the Department of Defence Production?

Mr. Balcer: Mr. Speaker, the provincial government's proposal included an offer to buy the whole property for the sum of $1, regardless of the needs of industry or of the various municipalities. Following my visit there, and following various representations made to me by residents of the area, we had to reconsider the whole matter, and I think we can now submit to the provincial government a concrete proposal that will meet all the wishes of the population.

Mr. Bourget: Another supplementary question, Mr. Speaker. I believe—

(Text):

Mr. Speaker: Order. I think this matter has been pursued with four supplementary questions. If it is not sufficiently clear I could perhaps permit another question, but it seems to me that the matter has been fairly well canvassed.

Mr. Bourget: With all due respect, Mr. Speaker, may I say I was just trying to clarify the situation. Here we have a situation where a certain property or installation is not presently used by the Department of Transport; therefore it should be transferred to another department for disposal. That is the situation that I should like to clear up.

Mr. Hees: That is debate.

Mr. Speaker: The hon. member is perhaps interested in presenting a point of view, but this is not the proper time at which to do so. This is a time in which to get information. It seems to me that the answers have been clear and that they have been sufficiently elucidated by supplementary questions.

METROPOLITAN TORONTO—REPORTED REQUEST FOR SUBWAY LOAN

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Prime Minister. Has the Prime Minister received a request to meet with a Toronto metro committee in order to discuss their request for a $58 million subway loan? If so, is it his intention to comply with this request?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am unable to say without having looked into the file directly, but there certainly have been discussions in this regard. As always, the government is prepared to listen to representations and it will continue to follow that course.

TRANS-CANADA HIGHWAY

BRITISH COLUMBIA—REPAIR OF FLOOD DAMAGE IN FRASER CANYON

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): I have a question I should like to ask the Minister of Public Works. Whose responsibility is it to repair the trans-Canada highway flood damage in the Fraser canyon of British Columbia?

Hon. D. J. Walker (Minister of Public Works): The question of the repair of the trans-Canada highway in the Fraser Valley is under investigation at the present time. We have engineers out there at the site to determine that matter, and on receipt of the necessary information I shall be very happy to answer the question asked by the hon. member.

QUEBEC—STATEMENT ON REPORTED CHANGE OF ROUTE

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Perhaps I might take this opportunity to answer the question asked yesterday by the hon. member for Vaudreuil-Soulanges concerning the contents of the telegram I sent in reply to the request of the Quebec government for the consent of the federal government to their proposed change in the route of the trans-Canada highway through Vaudreuil. The following is the text of the telegram dated January 20:

> Reurtel even date regarding route trans-Canada on basis of information you have given our officials to effect that proposed route is 2.3 miles shorter and will decrease cost to federal government of some $500,000 am prepared to authorize new route through Isle aux Tourtres instead of Ile Perrot.

MONTREAL—POSSIBLE CONSTRUCTION OF TUNNEL RATHER THAN BRIDGE

Hon. D. J. Walker (Minister of Public Works): Perhaps I might also take this opportunity to answer a further question, this time one asked by the hon. member for St. Mary on January 26, in which the possibility of building a tunnel was referred to. The answer is as follows. The route of the highway, as provided for in the trans-Canada highway agreement, crosses the St. Lawrence over the west end of Boucherville islands which is east of the Jacques Cartier bridge. The initiative as to the type of structure required at this location rests with the recommendation by the province. Any provincial proposal will be carefully considered.

HOUSE OF COMMONS

INQUIRY AS TO FILLING OF VACANCIES IN REPRESENTATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Prime Minister whether the government expects soon to take steps to make sure that the electors in some parts of Canada will not be denied representation in this house for the whole of this session.

Right Hon. J. G. Diefenbaker (Prime Minister): I am always glad to notice the reformation which has taken place in the hon. gentleman. When the former government was in power—

Some hon. Members: Order.

Mr. Diefenbaker: —it failed to accept the admonitions of the hon. member who now presses for action. This government will see that in the proper course of events an opportunity will be provided for the various vacancies to be filled in the constitutional manner.

Mr. Pickersgill: I am rising on a question of personal privilege. The Prime Minister saw fit gratuitously to make a personal reference to me not founded on fact in any respect whatsoever. If the right hon. gentleman will search the whole of the record of

the St. Laurent government he will find no evidence of delays such as are taking place now in the calling of by-elections.

EXTERNAL AFFAIRS

LAOS—REASSEMBLING OF SUPERVISORY COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to direct a question to the Secretary of State for External Affairs. Is the minister in a position to say whether any progress has been made respecting the proposal for the reactivation of the truce supervisory commission in Laos in the light of the statement made by the President of the United States a day and a half ago.

Hon. Howard C. Green (Secretary of State for External Affairs): The situation at the present time with regard to Laos is that the United Kingdom, as one of the two co-chairmen of the Geneva conference of 1954, submitted to the Soviet union just the other day a draft letter to India as chairman of the international supervisory commission. This was done some days ago, but as yet the Soviet union has not said whether this letter is satisfactory.

If agreement should be reached between these two co-chairmen on the letter to be dispatched to the government of India I am very hopeful there would be some quick action. The proposal is that India send a representative to interview the king of Laos, and if consent could be obtained from the constitutional authorities of Laos to the commission coming into the country, then Canada, for her part, would at once name a commissioner and I think the commission would begin to function.

BROADCASTING

APPOINTMENT OF COMMITTEE ON RADIO AND TELEVISION

The house resumed from Wednesday, January 18, consideration of the motion by the Hon. George C. Nowlan (Minister of National Revenue):

That a special committee be appointed on broadcasting to consider radio and television broadcasting with power to examine and inquire into the matters herein referred to and to report from time to time their observations and opinions thereon and to send for persons, papers and records;

That the committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary;

That the committee shall consist of 35 members;

That standing orders 66 and 67 be suspended in relation thereto.

[Mr. Pickersgill.]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, at the time of adjournment when this motion was previously before the house I was stressing my sincere hope that when this committee meets it will give very serious consideration to the interpretation which is being placed by the board of broadcast governors on that section of the regulations which deals with controversial broadcasts. It is only in this past year that I have heard any criticism of previous interpretations of this regulation, but from my own knowledge I am convinced that the interpretation presently being placed on this rule concerning controversial broadcasts is of such a nature as to be in danger of wrecking some of the finest radio programs in this country.

All I want to do this morning is to give one illustration, because I feel this matter is of such importance that it should receive the earnest attention of the committee. I intend to make reference only to the program which is known as "Town Meeting in Canada". This program was founded on November 5, 1943, and originates from station CJOR in Vancouver. It was begun as a radio program of the discussion type, and its declared purpose was to promote justice, tolerance and reason through an informed public.

Since this program was founded nearly 17 years ago many prominent Canadians, many of whom are in this house at the present time, in the realms of politics, education, economics, religion, industry, trade unions and agriculture, as well as internationalists and ex-ambassadors, have appeared on it. I believe I am right in saying that up to the present time there have been approximately 880 continuous weekly programs extending over a period of approximately sixteen and one half years. For that length of time the program was free from interference or criticism regarding the policy of providing an opportunity for the expression of major points of view on controversial issues. However, since February 14 last the board of broadcast governors on two occasions have prohibited the right of broadcast.

With respect to one program dealing with a trade union jurisdictional dispute, they prohibited the right to broadcast not because it was a controversial matter but because at the last moment one party failed to appear when the program was about to be taped to go on the air. At that time the debate was on the question, what is the international issue involved in this dispute?

On a second occasion the subject of the broadcast was, what are the national issues between the Conservatives and Liberals? The program was accepted by both parties, but at the last moment one of the parties failed to turn up and of course the broadcast had

to proceed. The board of broadcast governors immediately stepped in and took it off the air not only in Vancouver, where it originates, but in all private stations that carry the program across Canada.

"Town Meeting in Canada" has attained such a reputation that on two occasions it was carried over the entire N.B.C. network in the United States. On two outstanding occasions it received the Columbus award at the international institute for education by radio of Ohio state university of Columbus, Ohio.

The basis of the cancellation was that one party that agreed to appear did not turn up and therefore there could not be a public airing of the issue involved. I maintain that this is basically a denial of free speech. This serious matter means that one party can kill this type of program by agreeing to participate and then at the last moment failing to appear. The interpretation placed last year by the board of broadcast governors on the regulations concerning controversial broadcasts is such that it now denies the right of the public to have any public airing of important issues. This is a serious problem of vital concern to us all.

Mr. Drysdale: Mr. Speaker, would the hon. member permit a question? Is the hon. gentleman aware that the cancellation was made by the radio station itself and by neither of the political parties? Is the hon. member also aware that in another broadcast when another political party representative did not appear, the moderator of the program decided on his own initiative not to put the broadcast forward?

Mr. Winch: I am aware of all of that. I have all the details in front of me at the present time. Every statement I have made is accurate and is supported by a statutory declaration sent to the board of broadcast governors giving complete information as to what transpired hour by hour and day by day, and even noting the exact time at which it became known that one party would not turn up.

The radio station did raise this matter. They would be responsible if they had not drawn the matter to the attention of the board. However, it is the interpretation of the board and its action in which I am most interested. All the supporters of this program that I know in British Columbia feel that if this interpretation is maintained it will wreck what I maintain is a marvellous and remarkable broadcast.

In order to indicate that I am not merely expressing my own opinion with respect to this program I will read portions of a letter sent to the board of broadcast governors under date of October 24, 1960.

Mr. Drysdale: Who wrote the letter?

Mr. Winch: I will give the hon. member that. I will read only the important passages of this letter:

> We should also make it clear that it is our opinion, as it is also the considered opinion of the management of "Town Meeting in Canada", that the program cannot survive if the present construction which the board has evidently placed on the doctrine of equal opportunity is to prevail.
>
> The real issue is the interpretation to be placed on the meaning of "equal opportunity", or as regulation 6 (1) which you quote in your letter of October 4th, 1960 expresses it "on an equitable basis to all parties and rival candidates." Assuming for the moment that this regulation was intended for application to the public discussion or forum type of radio program not directly connected with political campaigns, we submit that on the facts relevant to the September 30 incident, "equal opportunity" was provided to both sides. The situation there was that the one party did not take the opportunity which was offered to them. Surely the doctrine of equal opportunity cannot be carried so far as to cover a situation where the opportunity is provided but not used.
>
> If this construction is to be followed it must have the necessary consequence of allowing any party to a controversial topic to stifle discussion and kill debate through the simple expedient of declining the opportunity to participate. Surely this is the direction from which the real threat to free speech and discussion would arise.
>
> The undersigned are requesting from the board a clarification of the construction and interpretation they are going to place on this rule in the future. If the program cannot be broadcast because one side of the issue is not represented by reason of their refusal to avail themselves of the opportunity, then clearly the program cannot survive.
>
> We shall be looking forward to receiving your reply.

Who wrote that letter? The representatives in British Columbia of the four political parties interested in this program.

Mr. Drysdale: Would the hon. member provide us with the names of those persons?

Mr. Winch: Their names are as follows: D. A. S. Lanskail, Liberal; Bert Price, Social Credit; William Dennison, C.C.F.; and Raymond Hull, Conservative. These people are all interested in the broadcast. They represent four different political parties. Although they hold differing political views they have maintained a long and lively interest in this program.

Mr. Drysdale: Will the hon. member permit a question? I appreciate the point of view he has taken with respect to those particular circumstances and, as I emphasized earlier, the objection did not come from any of the political parties. Does he feel that the moderator should have the discretion to decide whether a particular program should

be withdrawn because he did so in another program in the absence of one of the members of another political party?

Mr. Winch: That is hardly a question.

Mr. Speaker: It seems to me the hon. member is dealing with a matter which might properly be raised before the committee. In regard to the relevance of what has been said by the hon. member who has the floor, it is simply that here is a matter which might well be reviewed by the committee in its investigation of radio and television broadcasting, the subject matter proposed to be referred to it.

As I have said earlier in this debate and on previous occasions, and this was also said by my predecessors, the discussion of matters which will properly come before the committee is relevant only by way of illustration of the need for the committee, or the desirability or otherwise of proceeding with the committee. It can be argued either way. The motion is to set up a committee to review radio and television broadcasting.

I am not going to read the citations, but hon. members will find support for this view of the proper course of debate on a motion which is simply to set up a committee for a specific purpose in May's 16th edition at page 452; and instances where my predecessors in the chair have pointed out the desirability of hon. members restricting their examples as much as possible, and also the desirability of not attempting to do the work of the committee by roaming over the whole field, will be found in *Hansard* of 1955 for May 28, at pages 2441 and following pages, *Hansard* for January 27, 1953, at page 1366, *Hansard* for May 10, 1954, at page 4558, as well as the references I have made myself to the proper practice, as I see it, on a motion of this kind.

Mr. Drysdale: May I just speak on the point of order?

Mr. Winch: If it is a question; otherwise I have the floor.

Mr. Drysdale: I should like to speak to the point of order. I think the hon. member for Vancouver East is very fairly putting forth an important point and an important principle regarding freedom of speech. I think in essence the question is whether the board of broadcast governors is to rule on the matter of freedom of speech, or whether the program moderator is to do that. What I was seeking to bring to the attention of the hon. member for Vancouver East was another situation, which he has not drawn to the attention of the house, where the moderator himself withdrew one of the broadcasts. I wanted to obtain his comments on that particular proposition.

[Mr. Drysdale.]

Mr. Speaker: Yes. Well, the point I was making was that to debate the merits of the illustration, which has been chosen by the hon. member for Vancouver East was going beyond the scope of the debate. That is why I intervened.

Mr. Winch: Mr. Speaker, I was nearly at the end of my remarks. It was because of what was said the other day that I realized there were other examples, and I thought I was correct in giving only one example as to why I felt this matter was of such importance that it should be dealt with. The hon. member who has been asking a couple of questions undoubtedly can see, or has already accepted, the importance of this matter and the fact that I have tried to put it in a fair way. I therefore feel absolutely certain that he will support my contention with respect to the seriousness of the situation and the need for clarification of the matter before this committee, and the best possible guarantee given that a program, which has been on the air for 16 or 17 years without criticism, will not be taken off without the fullest investigation and a guarantee given of the maintenance of free speech and of public discussion of matters of concern of that nature.

(Translation):

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to say a few words in support of this resolution providing for the setting up of a committee to deal with that corporation which, after having done so much for our country, will continue, I hope, its good work.

At the beginning of my remarks, I should like to stress the fact that having taken the floor is no indication that I intend to deliver a speech against or in favour of the C.B.C. I should like simply, Mr. Speaker, to discuss objectively a few particularly important aspects of the situation before the setting up of such a committee.

(Text):

I understand that under the rules, Mr. Speaker, when we speak on resolutions of this kind we should speak in general terms and, as you have just said, stick to the criterion of what constitutes the desirability of setting up such a committee.

This morning I want to speak very briefly on two main topics. The first topic I will discuss is simply the general desirability of examining crown corporations in committee. Second, I shall speak in very general and objective terms, and this is where I want to underline the fact that when I speak under the second heading my speech will not be anti anything or for anything. I simply want

to make some general, objective observations. I want to discuss that general phrase "political interference".

All of us in the House of Commons, and the Canadian people, believe that the Canadian Broadcasting Corporation—and I am not for one moment suggesting that I am going to cover all its powers which it derives from its original charter—has shown great leadership in the development of our country. It has played a very great role. Many loyal and great Canadians form its working force. I think in most instances we are all proud of it as a corporation. If we think it is desirable, and I believe most of us do, to have a distinctive Canadianism going from coast to coast in this country, perhaps we are also equally agreed that the Canadian Broadcasting Corporation has played a very important role in this respect. This was the original intention in the setting up of the corporation.

Whether we refer to television or radio broadcasting, I am sure we will all agree that the Canadian Broadcasting Corporation has done a good job in certain areas of this country which for the time being could not be served by private enterprise in a practical way. If it was not for the Canadian Broadcasting Corporation many areas of this great country of ours would have no radio or television services at all.

Now, sir, I want very briefly to discuss the desirability of examining the corporation in committee. After all, it is one of the most pertinent parts of this resolution that we are discussing this morning. I think we should pay much more attention to this general subject because it involves a very great principle. Canada is a young country. Confederation dates from 1867. We have gone through two great world wars and many emergency periods. At the same time, by the natural evolution of things government has become bigger and bigger. Thus many crown corporations have come into existence, for good or for bad. Therefore I think it is most important that as members of parliament we make sure they receive careful scrutiny at all times; because while it is very necessary at times to create crown corporations, we must make sure exactly how, why and if they fit into the democratic scheme of things as we see it under a parliamentary system of government.

I think that very often people err when they try to compare the C.B.C. with the B.B.C. to too great an extent. The experience of the B.B.C. in the United Kingdom is much different from that of the C.B.C. in Canada. First of all, their experience is longer; and second, the B.B.C. is superimposed on a unilateral state whereas the C.B.C. is working in conjunction with a parliamentary system and a federal state. These are general principles that I think should be outlined when we are trying to compare the two corporations.

Again I reiterate and emphasize the necessity, especially in peacetime, of members of parliament through our parliamentary institutions always exercising eternal vigilance in scrutinizing the activities of crown corporations. We all know that the C.B.C. reports to parliament through the Minister of National Revenue and at this point I should like to emphasize the fact that parliament is made up in large measure of people who are proud to call themselves politicians. Therefore we must be very careful in giving consideration to that very loose expression, "political interference". I would warn all members that when people confuse the idea of political interference with the voice of the people; when people confuse the idea of political interference with the true and rightful duties of a member of parliament; when irresponsible pronouncements are made regarding these two things, political interference on the one hand and the rightful duties of a member of parliament on the other hand, nothing is being done to serve the true principles of democracy as I am sure all broadminded members of the House of Commons understand them.

Therefore I am sure this committee is going to start its work in a sober and sensible way; I have heard someone suggest in a "serene" way. That is a very good word, but I think it was Haldane who said that justice must not only be just but must also seem to be just. So I think these are general principles that should be understood before the committee starts its work.

Just because a member of parliament wants to know how much a cultural program costs or is going to cost, be it on television or radio; just because he wants to know what the price tag of that cultural program is, let us not smear that parliamentarian and say that he is anti-culture. In the past I have done a little church work, and we had a minister who was a great sky pilot but did not occupy himself too much with the books of the church. He was a wonderful minister, but a few people had to get together to make sure that church affairs and the church in general were going to be kept solvent. So I think it is extremely important that just because members of parliament and representatives in legislatures ask what something is going to cost, we do not as a result label them as anti-cultural.

As I have said before and I repeat it now, the C.B.C. is doing a wonderful job in providing cultural programs, programs which in many instances private enterprise cannot really afford. I hope the day will perhaps come when private enterprise will be able to do so, but today we have this situation and I think it is only right that members of parliament should ask about the cost. After all, the Canadian people are paying for these programs.

Second, Mr. Speaker, I have heard it said by many Canadians that they hope to see the day, perhaps in the not too distant future, when private radio and television stations will become so financially sound that they will be able to undertake in a responsible way under the board of broadcast governors some of the cultural programming that the C.B.C. is doing today. In a very objective way many people are seriously asking themselves about the advisability of too much state radio and television in a democratic society under a parliamentary system. In a very sensible and serene way many people are asking this question, which makes it even more desirable that in a common sense manner a corporation of this nature be examined as this resolution proposes.

I know that it perhaps embarrasses a lot of people to talk too openly about political interference, and that it is something we should all admit that we talk about too much privately and not often enough in public. I am a politician, Mr. Speaker, and I am proud to be a politician. I fight hard and I am partisan, but suppose I am looking at the television news one night, before New Year's, for instance, and suppose various Canadians are wishing the people of the country a happy New Year and the Leader of the Opposition appears on television and the Prime Minister does not. Of course I would squawk. I am a human being. But let us not call that political interference. I am naturally going to ask somebody, whether in the C.B.C. or outside the C.B.C., why the Leader of the Opposition appeared on television and the Prime Minister did not. If the official opposition had a convention and the C.B.C. did not cover it at all on television I am sure their party frontbenchers would also say: "My goodness, something is going wrong", and they would squawk too.

We just heard an hon. member of the C.C.F. party speak, and he suggested that something constituted political interference. As long as there are politicians and as long as we have state owned radio and television there are going to be charges and countercharges involving what we call political interference. But let us be very sensible about the whole matter, Mr. Speaker. Let us analyse it in a cool-headed and serene way. Members of parliament often receive letters complaining about certain programs. The Minister of National Revenue perhaps knows that better than anyone else. But when we bring these matters to the attention of officials we are only expressing the voice of the people. When a member of parliament makes known the views of his constituents regarding various programs, at no time is he doing anything that constitutes political interference.

I know this is a very delicate subject, but it is one that is often on the minds of all of us and I think it should be analysed in a cool-headed and sensible way. At the same time I think the individuals who work for this wonderful corporation must realize that public funds are involved, that the voice of the people does means something, and that while cultural leadership is most important sometimes the desires of the people are important too.

I think, sir, that nothing is to be gained when ill-considered attacks regarding political interference are levelled against the C.B.C. I also believe that nothing is to be gained when people are criticized because they have, either before a committee or outside a committee, levelled objective and constructive criticism against the corporation. I do not believe this criticism should be brushed aside on the ground that it is anti-cultural or that these legislators do not know what they are talking about. I think the whole thing should be brought into balance. I am sure, sir, this committee, in a cool-headed, sensible way, is going to do just that.

I have, therefore, brought before the house today what I consider are two important points which underline the desirability of setting up this committee. Point No. 1 is the desirability, in a free society like Canada, of examining crown agencies. We have a great many of them already in this young country which has gone through emergency periods and two world wars. I am not very clear in my thinking here, but I am sure of one thing. These crown agencies must be examined very carefully in a free democratic society; otherwise the true principles of democracy as we understand them, both inside and outside of parliament, will be tampered with. The price of democracy is eternal vigilance, and that is what this committee is going to do.

I have not done a very good job this morning of explaining the other point, but I do hope this committee, in a very gradual, common sense way, is going to do something to show us the real difference between political interference on the one hand, as so many people irresponsibly call it, and on the

other hand what I believe to be the true voice of the people. For these reasons, sir, and in a very general way as I have explained today, I support most wholeheartedly this resolution.

Hon. Paul Martin (Essex East): Mr. Speaker, I rise to say a few words, not in response to the very interesting declaration of political faith we have just heard from the hon. member for Brome-Missisquoi, but to talk about another matter which I believe should be considered by the committee when it is convened. I would say to the hon. member who has just spoken—I do not know whether he is a member of this committee—that now that he has avowed what we all knew, that he is a politician, I hope he will grace that committee and give it the benefit of his great experience and his solemn consideration.

The matter I wish to raise, Mr. Speaker, is one which I certainly would raise in the committee if I were a member. However, since I am not, I should like to do so in this way during the discussion of this resolution. On January 3 last we were informed by Mr. C. R. Delafield of the Canadian Broadcasting Corporation that the international service of the corporation was to be considerably curtailed. Canada's shortwave radio service, of course, has been in existence now for some 16 years with programs beamed to listeners in Europe, Latin America, the Caribbean and Australasia. I have no quarrel with the decision to extend the international service to Africa, to provide programs in English and in French, as is now being done as a result of the changes announced by Mr. Delafield.

However, I do question the wisdom of the international service being discontinued to some of our north Atlantic treaty partners, Norway, Sweden, Belgium, The Netherlands and Italy. I understand that not only are these programs being eliminated or curtailed, but those to the United Kingdom and France as well are being considerably reduced. I do not know what the government had in mind in connection with this matter, and in this instance I say "the government" advisedly because I believe the decision was made by treasury board. It seems rather unusual that there should have been intervention by treasury board in a matter of this sort, particularly when it involves a service provided by the Canadian Broadcasting Corporation. The explanation may be that the Canadian Broadcasting Corporation international service has a budget that is entirely separate from the corporation's domestic budget.

Mr. Nowlan: External affairs.

Mr. Martin (Essex East): The minister points out that it is external affairs. I thought that was possibly the situation. In any event, when the minister speaks he will explain the situation in greater detail and justify the decision that has been made on the merits.

Now, the Canadian Broadcasting Corporation international service, which was started in wartime, has been a post-war information and publicity arm of the Canadian government for about 16 or 17 years. For many years most of the government's Canadian overseas broadcasts have been to western Europe. In addition to direct broadcasting, Canadians have also recorded special program material here at the request of various European broadcasting bodies for use overseas. In recent years a portion of the transmission schedule has been devoted to propaganda broadcasts to countries behind the iron curtain. I understand that the change that has been made does not include curtailment of what are called propaganda broadcasts to the iron curtain countries. If that is the case, of course, I am in full support of the maintenance of that policy.

However, I question very much whether the saving, which I believe is estimated to be in the neighbourhood of some $400,000, is warranted when we consider the great disadvantages which I suspect will flow from this curtailment of service. It seems to me that the abandonment of broadcasts to countries like Norway, Sweden, Belgium, The Netherlands and Italy, and the cut-back in broadcasting to the United Kingdom and France, comes at a very bad time. This decision has been taken at a time when Canada is seeking to expand its export trade and to maintain existing markets, particularly in the light of the formation of new economic blocs in Europe such as the common market and the European free trade association. It seems to me that if the apprehensions of the Minister of Finance about these blocs are to be taken seriously—and I do not fully agree with the Minister of Finance—the government is placed in an embarrassing position by the decision which has been taken.

It seems to me that these broadcasts, apart from the other advantages that flowed from them, provided an excellent advertising medium that is now being scrapped. This will interfere with the possibility of getting further trade with Europe and maintaining existing trade benefits. The Canadian Broadcasting Corporation international service is being forced to terminate a service that has been in existence for over a decade, and completely disrupt its working relationships with various European radio broadcasting organizations. This is being done at a time

when the Canadian need for exports virtually demands aggressive use of every publicity medium available.

Working relationships with broadcasting organizations in NATO partner countries are being eliminated arbitrarily, it seems to me, while jammed broadcasts to only hypothetical audiences behind the iron curtain are being continued. I do not quarrel with that procedure. In spite of our inability to determine exactly the nature of the reception of and the reaction to these broadcasts in iron curtain countries, I think it is important that this service should be maintained. This I have already insisted on.

However, it seems to me that there are two sides to the coin. The Soviet union is encouraging a program of careful broadcasting to the Scandinavian countries. For instance, I am advised that quite recently the Soviet union began a series of broadcasts, very cleverly concealed, to some of these Scandinavian countries, namely Norway, Sweden, Denmark and Holland. While these broadcasts have been going on for years in some form, they have now taken on a new form. They offer well edited propaganda material addressed to the appetite for local news on the part of the people in Scandinavia. This propaganda is aimed particularly at these countries and is addressed to them by giving these people not news of events of an international character but news of local events in Norway and the other Scandinavian countries, and associating with this local news extremely sinister propaganda. This expansion is being carefully followed by the foreign offices, I am sure, of many countries.

It seems to me that a country like Canada, whose international service has been so widely appreciated in Scandinavia as well as in other nations of western Europe, should think carefully before dispensing with its service at a time when the Soviet union has increased and accelerated its broadcasts to the same European area.

My views on these matters may not be based on a full appreciation of all the factors involved. I can only state my point of view as I see it in the light of information that is made available to me. I hope that either the minister will deal with this situation directly or that the matter will be carefully gone into when the committee is established and there will be an opportunity of examining the officials of the corporation. However, as the minister has indicated that the decision is one for the Department of External Affairs itself and not for the corporation, perhaps he would think that the desirable moment to deal with it would be before the house had actually dealt with and passed the motion.

[Mr. Martin (Essex East).]

Hon. J. M. Macdonnell (Greenwood): Mr. Speaker, I should like to make a few rather brief comments on this question.

First, I should like to say how fully I agree with what was said by the hon. member for Brome-Missisquoi as to what we owe to the C.B.C. and as to the importance of this committee dealing carefully and wisely with the subject. I should also like to say that I think the hon. member for Essex East has raised a question which is well worth our most serious consideration.

As to the remainder of my short speech, Mr. Speaker, I am going to take a rather cowardly course; I am going to quote, as far as you will allow me to do so, an extract from the speech made last July by the Minister of National Revenue (Mr. Nowlan). It is so good that I should like to think I had written it myself; if I work hard enough at it I may be able to persuade myself that I did so.

The minister was talking about the position of the corporation and he has this to say, as reported at page 6193 of *Hansard* of July 13, 1960. He speaks of those who—

> —from time to time approach me asking why I permitted this or that to happen, or why I did or did not take action of a particular kind—

He describes the function of the minister as follows:

> —the minister is here only to report to parliament for the C.B.C., and that he has no power whatsoever to exercise control over that corporation. That is a matter of law, that is a matter of statute, and that is a matter of public policy.

Then he goes on to refer to the fact that we in this party should be especially interested because it was R. B. Bennett who set up the corporation. May I digress for one moment in order to say that I think up to the moment history has dealt rather shabbily with that great man who founded many things that have been useful, including the C.B.C. and the Bank of Canada. The Minister of National Revenue pointed out that we in this party should be especially interested in the C.B.C. for that reason. I should like to think that we would be interested. Then the minister, speaking on the principle of the independence of the C.B.C., goes on to say this:

> That principle has been continued, and that has been the finding of every royal commission since which has made recommendations on the subject, in addition to about every parliamentary committee, and there have been around 20 of them since the corporation was established.
>
> It is embarrassing at times. There are times when I should like to be able to exercise some control and power, but if there is sometimes embarrassment and frustration on the one side there is, on the other side, the obvious danger of having a public service such as the C.B.C. brought under political control.

Then the minister goes on to refer to those who think it might be a good thing to sell the C.B.C., and he says this:

> Such suggestions have sometimes been specifically associated with this party.

Then with that frankness and directness that we all like in the Minister of National Revenue he states:

> Undoubtedly that is true; there are a few of them. There are a few also, I think, in other parties from time to time. The Conservative party has no monopoly of that viewpoint by a long shot. There are people who have been hauled screaming and protesting into the twentieth century and still think they live in the eighteenth.

I like that reference. It seems to me to be right on the target. I should like to quote further:

> We respect their views—

That is to say, the views of these eighteenth century people.

> —but certainly as far as this government is concerned I want to say again what has been said from time to time, namely that we believe in the C.B.C.; we support the corporation, and as long as this government is in power—and, I hope, as long as any government is in power—that policy will be maintained; because I am quite certain that if any government attempted to destroy that principle they would be heaved out of office so rapidly that they would never know what struck them.

I am glad to read those words. I believe them. As I take my seat I should just like to say this. While we shall be sometimes irritated and while we shall often feel that somebody is gunning at us, we had better remember that we are party politicians and that we are not as independent as all that in our judgment. Furthermore, we had better remember that the nation is poor indeed that has not some organization—we have churches, universities and now the C.B.C.—which is trying to bring to the public the things by which, after all, life is dignified. I refer to the things of the intellect and the things of the spirit. Anyone who listens to the Wednesday evening C.B.C. broadcasts knows that what I say is true. We may not always approve of these programs. We may sometimes think there are on the programs nothing but eggheads. Nevertheless they are holding up an ideal which none of us can afford to disregard.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I appreciate the remarks of the three speakers who have preceded me. This does not mean that I have not appreciated the remarks of the hon. member who spoke initially in this debate, namely the hon. member for Bonavista-Twillingate, who perhaps spoke most closely to the motion and raised a point on which I hope we shall hear from the minister, namely the vagueness of the motion.

I have been reading it over and over again. I suppose the committee could proceed in spite of the vagueness of the motion. I do not know whether I agree with the hon. member for Bonavista-Twillingate in his contention that the motion might spell out in more particular terms exactly what the committee is going to deal with. I have been a member of the broadcasting committee and I suppose I have been at as many of its meetings in the past as anyone but the chairman of the committee. I am not very sanguine about spelling out beforehand the chores the committee should do, because so much will depend upon the wisdom of the members themselves and the pace they set. I would be tempted to think that we could define a number of problems which the committee could approach on an ad hoc basis. That might be more effective than what the hon. member suggested.

It seems to me we should begin with the Broadcasting Act itself. I agree with the hon. member that we have had what amounts to an undertaking from the minister that this act should be reviewed as soon as possible, that this review should have taken place last year, and that, consequently we might expect it this session. The advantage of reviewing the Broadcasting Act at the beginning of the committee's work would seem to me to be this; that it would familiarize us all with details we tend to forget concerning the various rights and duties of the board of broadcast governors and of the C.B.C.

We expected that last session the committee would deal with the brief and the views of the Canadian association of broadcasters, that is, with the private interests. I know this group is anxious to come before the committee. Whether we should start there or with the board of broadcast governors or with some other problem is, I suggest, a matter which can be left to the wisdom of the committee.

I would be much more appreciative of the attitude of the hon. member for Bonavista-Twillingate if I could feel that on this committee he had been one of the more constructive members. He has taken an active part, and we all have great respect for his intelligence and industry, but it seems to me he has a greater capacity for drawing red herrings in front of the committee's nose than any other member in the house. These herrings usually consist of charges connected with political advantage on the lines of "I suppose this is only what one might expect from the Tories" and everything explodes.

I do not want to suggest that I have a great deal more faith in these wicked Tories than the hon. member for Bonavista-Twillingate, but I do wonder whether a committee

which should move along calmly from point to point in order to cover the whole subject is the place to be continually jabbing and prodding with the kind of political charges which cause the meetings to flare up, send the newsmen scurrying for telephones and, in effect, interrupt the smooth progress of the committee's work.

I hope that this session the committee will have a new chairman because of the elevation to ministerial level of the hon. member for London (Mr. Halpenny), and that we shall now have a chairman who will be able to direct the committee in a smooth and cool manner.

In terms of ad hoc problems with which the committee might deal—if the minister is not prepared to give an undertaking that the government wishes the committee, and will so direct the chairman, to review the Broadcasting Act—the hon. member who spoke for the Liberal party stressed the question of the principle of licensing, and reiterated his doubts about the television licence which was awarded in Toronto. I know I heard a story the other day about one of the producers of this new concern who was told by the management that he must remember this was "a Conservative television station".

I do not attach too much credit to that particular story, but I do think this system of awarding television licences, as we see it in operation in the Toronto area, raises problems for the C.B.C. itself. I look at the Toronto stations, particularly the one which is now providing television as it ought to be, and I see a close connection with a newspaper, the *Telegram*, which I think openly supports, editorially, the present government. I do not complain about that as such, but when I look at the C.B.C. I get more and more the impression that it is the extension of another Toronto newspaper, the Toronto *Star*. Perhaps I should not put it as blatantly as that, but I know that a number of the headliners who work for C.B.C. television also work for the *Star* and made their reputations on the C.B.C. before they became what could be called valuable properties and were hired by the *Star*. Five or six of the great hired by the channel 6 happen to be employed by that newspaper.

If I have any preference it would be for the *Star* as compared with the *Telegram*, because I think it is the more interesting newspaper, but it seems to me we have created a situation where the two evening newspapers in the city, each of them somewhat given to sensationalism, have definite links with the two television stations in Toronto. I do not know how a parliamentary committee can apply its wisdom to this situation, but it does seem to me that our licensing system has got us into what could be quite a competitive log jam. I suppose the people in Toronto area will be the final judges, but the question of the principle behind the T.V. licence awards to newspaper owners is certainly something we should know more about.

There is a case, and I should like to see the committee deal with it, relating to the Prince George television station. I have had communications from that area both of a general and of a particular nature which would indicate that here, perhaps more clearly than elsewhere, political influence has been at work, but again I do not know whether this is the kind of thing which should be investigated in detail before a parliamentary committee. Certainly the people who write to members of this house think it should. I have also received a letter or two from the Halifax area indicating that political influences have been at work there as well.

I mention these things to show that the committee could spend its whole career dealing with charges of political favouritism in connection with licensing. I think the best way to approach the licensing problem would be to get the head of the board of broadcast governors before us, forget about other witnesses, and keep pressing and questioning him, perhaps in continuous session for two or three days, in order to get the whole thing cleared up through his point of view. I suggest that cross-examination of Dr. Stewart might in the long run tell us more, if we persisted, than an attempt to investigate charges of political favouritism in all parts of the country where licences have been awarded.

At the same time, I know that such cross-examination would be difficult. As I think anyone who has tried to examine Dr. Stewart will realize, he is very quick on his feet and is a master at shifting his ground. I do not mean by this that he is Machiavellian, but he is extremely careful. I think that should be the challenge to the committee, and we will see what we can do.

Another point which it seems to me the committee might examine, both with the head of the C.B.C., Mr. Ouimet, and Dr. Stewart, is the effect of what might be called the C.B.C.'s new policy of commercialism. I know this is a reflection of the ukase or the request or the suggestion contained in both the Fowler report and the report of the broadcasting committee of two years ago that the corporation should go out after more advertising revenue, but in the process this

has raised in the minds of many of its supporters the question whether it might not have lost the role it used to play.

The suggestion is that the effective commercial competition which the corporation is now carrying out with the private stations must mean, to some degree, a lessening of the corporation's old role as a leader in education and public affairs because it has had to move in the direction of more popular programs—variety shows, western stories, and so on—as a result of which the corporation has lost something of its reputation as a cultural dike. This whole cultural question is something that is almost in the realm of philosophy. It seems to me the only way the committee can handle it sensibly is to seek evidence from the heads of the C.B.C., the B.B.G. and the C.A.B.

There was some laughter in the chamber when the hon. member for Brome-Missisquoi made the common error of appearing to confuse the C.B.C. with the C.C.F. I have felt the ramifications of this type of error. I have expressed criticism and C.C.F. supporters have asked, "What are you trying to do? This is really our organization." This does not mean they feel it is a C.C.F. agency but that it is almost completely what the C.C.F. felt a crown corporation should be and do in this field. It almost completely reflects our approach to crown corporations in the field of public affairs and culture.

I think we should look again at the C.B.C. because of the extent of its commercialism and the coming on the scene of private television stations. I believe we are in a period of great change and transition. No one really knows what is going to be the final squaring away, especially in terms of income, of this competition and the whole future of private networks.

In its approach this year I think the committee should be tentative in its appraisal. We should think more in terms of scrutiny than in terms of a report that would try to direct or influence. It is certainly apparent that the financing of the C.B.C. in its present form leaves the corporation open to a more direct form of pressure than was recommended by the Fowler commission, and more than was previously the case.

I know there has been great exception taken across the country by certain people and certain newspaper editorialists to the C.B.C.'s annual report and its suggestion that you are a shareholder in the C.B.C. and that for so much expenditure per head you get this wonderful programming. It has been pointed out that in this sense the C.B.C. is not really a company in which each listener is a shareholder, that this is a confusion you might say of the advertising men. The point is, however, that the C.B.C. does cost us a lot of money, and as politicians we all hear pragmatic arguments in this regard.

For example, the maritimes have set up a hoot and a holler. They want the entire national hockey league game televised Saturday night. That is not the only part of the country that will express that desire. The argument is put to us at home that hockey is a Canadian game and extremely popular; therefore why should we not have it televised from start to finish. I know the minister will be well aware that such matters as the questions of cost and sponsors and arranging clear time in an evening are not arguments to which the people care to listen.

On the question of financing, the views we express and the recommendations we put forward in the committee could be related to what we think of the increased commercialism of the C.B.C. There is one point on which it seems to me the committee might spend some time and to which the hon. member for Bonavista-Twillingate could make a great contribution, because I know he was on the committee that reviewed the Canada Elections Act and discussed the broadcasting situation to a degree in so far as it affects politics. In essence, the political aspect of broadcasting in Canada was determined by that committee rather than by the one now under discussion. It is still an issue in my mind, however. It came closely home to me the other day in watching the complete, almost hour-long telecast of the press conference of the new President of the United States which came from a United States station and had a tremendous impact in Canada.

I think this will be the forerunner of a tradition that is going to make us again very vulnerable to United States influence. Because of its newsworthiness and importance, even in Canadian terms, there will be strong demand to have these news conferences of the President televised regularly and carried trans-Canada. I think it is the kind of program that would have vast appeal.

As a result of this I think the following question will be raised. What are we going to do about our own political figures, such as the Prime Minister, in presenting them to Canadian audiences? It may well be that if J.F.K. is the great president he seems to be in embryo, we could have the same kind of love affair take place between him and the Canadian people that took place between Canadians and F.D.R. If that should be the case it will mean that Canadians will come under the influence of a political figure who is not operating on the Canadian scene but who is the man next door. There is nothing tremendously bad about that, but it is a problem in that once again we will be looking to

an influence other than Canadian to crystallize our identity and give us leadership. It raises the question of what balance we can put forward within our own broadcasting framework to offset this kind of development and illuminate our own leaders.

I can speculate that it would be impossible for the Prime Minister of Canada to have this kind of conference because of our different constitutional framework. Both the limitations and the advantages under which our Prime Minister operates are different from those affecting the United States president. I suggest, however, that our committee should be in a position to consider some of the developments opening up in the political field, such as the president's press conference, which was televised.

Another point comes to mind. I imagine that every hon. member from the Toronto area is wondering what is going to be the position of the new station in Toronto as election time comes near, in the amount of free time it will clear for election purposes. Is it going to carry the same broadcasts the C.B.C. carries? Will this be required? A second thing about this station comes to my mind. How will they sell their time to political parties, if they have time for sale? What is going to be the principle upon which this will be established? As the regulations now stand, I think there are a few loopholes that may need correcting.

We have had a situation in my own area where time has been available for sale to all political parties, and while it has not resulted in ructions bursting out, it could have done so. On one occasion during an election campaign I reserved some time. I got there first, so I was able to secure the last half hour of the campaign. Someone else with great influence came along later, and it turned out that I did not have the last half hour. I did not complain about it at the time; I felt that overexposure of my rival was perhaps to my advantage, and let it go at that. However, in another situation I think we would need a more hard and fast rule, and it seems to me the committee might explore this question.

I have a hunch that an election is not too far away. It may not be this year, but certainly if the committee is going to recommend anything in this field it is likely that it will have only this session to consider the matter; because I am sure that next session, if we have one, the orientation will be all to the hustings, and away we will go.

The hon. member for Essex East raised a question about the international service and its cut-down. This is the kind of issue that, speaking for our party, we regret very much; but speaking as an individual representing a constituency in the centre of the country this does not arouse much interest. I know that the people in my area would not be particularly interested in this. I have to force myself to be interested because, in the centre of a continental nation, it is difficult to get concerned about the particular image of Canada that might be going abroad through something like shortwave radio services.

It is, however, a question with various sides to it. I suggest that in an ad hoc way officials of the Department of External Affairs appear before the committee and give us some kind of assessment of the impact of the programs as they have gone on, and in essence what their impact signifies in the impression Canada makes abroad.

The question of the cultural role of the C.B.C. and of private stations in the next year will probably hinge closely upon the 55 per cent Canadian content rule. It is awfully tempting to laugh at or become satirical about this 55 per cent of Canadian content. It reminds me of the beer labels that we used to have in Ontario showing the alcoholic content ranging from 5 per cent to 12 per cent. When you take a drink of whisky from something sold by the Ontario liquor control board you wonder just how much of it is water. There is something almost silly, when you look at it, about the rule that we are going to have 55 per cent of Canadian content.

Someone pointed out in a newspaper today, that if you listen to "Critically Speaking" you find that it may be a Canadian program, originated for Canadians, but most of the time the accent of the speaker tends to be English. We have had a great deal of difficulty with the census form in determining just what is Canadian. It seems "Canadian" means that you are a whole host of other things, depending on what your father once happened to be. This could go all the way back to Adam, I suppose, if you are a fundamentalist, and could raise tremendous difficulties. The same thing is going to apply in so far as the 55 per cent Canadian content is concerned. Our party's view is that this is a good rule, but its application will require not only fairness but, it seems to me, a certain sense of humour.

The orientation of so much programming in Canada tends toward metropolitan areas such as Toronto. Here again is something that a member from, let us say, a distant part of the country that is not within the sway of that particular metropolitan influence hears a lot of, and on which many complaints seem to centre. I am sure that the complaints with respect to the private stations and the private networks, the same as the C.B.C., will centre on the fact that we always seem to be seeing the same faces; that there is not enough variety; that we have too few hosts in T.V. for too many parasites in terms of programs.

The viewers are always complaining that they get sick and tired of seeing the same characters: Charles Templeton, Pierre Berton, Lister Sinclair, Dr. Blatz, Nathan Cohen, Gordon Sinclair and so on, all very much Toronto oriented.

Well, it is one of my contentions, and I think it would be the contention of many other members in this house, that Toronto does not contain all the finest attributes, and is not the sole reservoir of talent. I would point out to the hon. member for York-Scarborough (Mr. McGee), who is laughing, that even the fact that some of us appear here as members of parliament is an indication that there is talent outside of Toronto. I would really like to see the committee give some consideration at first to this question of talent in relation to the 55 per cent rule and a bit of investigation as to why more of it is not combed out of, let us say, the brakes and the bushes of the country, and why so much of it is the same, all or nearly all from Toronto.

In the past the committee has been a lively one. I would hope that it will continue to be lively but in a bit more constructive way. I make my reservations because I see the hon. member for Bonavista-Twillingate is going to be a member of that committee. I can see where there will be storm and stress. Again I am trying to speculate as to who would be the ideal committee chairman.

An hon. Member: Will you be available?

Mr. Fisher: Yes, with pleasure; but I am thinking of the hon. member from Calgary South, who has proved himself so invaluable down at the United Nations. I am just hoping that he will almost preach for a call during this debate.

Mr. Nowlan: Perhaps you should elect the hon. member for Bonavista-Twillingate chairman, and then your fears would be over.

Mr. Fisher: That is a suggestion I would be only too willing to accept. I would like to see him in the role of chairman. I think that as an editor he has done a remarkable disservice to one of the great Liberal prime ministers of Canada, and if he can do as well in his role of chairman it would be intriguing to us, his rivals. I want to go on and suggest that the hon. member for Calgary South ought to come in and preach for the call. I am suggesting to him that he would make as competent a chairman of the broadcasting committee as he did of other committees.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Robert Simpson (Churchill): Mr. Speaker, I am particularly pleased at this time to see that the government is again taking steps to set up a special committee on broadcasting. I am sure that all members of the house are well aware of the importance of this committee. In my view there are many very important aspects of the operations of the Canadian Broadcasting Corporation with which the committee undoubtedly will be dealing. Some of them are extensions of the services of the C.B.C., programming, private stations, Canadian content, the financial structure of the C.B.C. and many other subjects. As hon. members may have noticed, in mentioning these different subjects which I sincerely hope the committee will deal with I placed extension of services in the top position. Despite the fact that these other aspects of C.B.C. operations are of great importance, I believe personally that the extension of television services and the improvement of radio reception in some parts of Canada should be given top priority.

I have listened with interest to the remarks of various members who have spoken on the resolution before the house, and I wish to concur in particular with some of the remarks made, such as the statement that we must keep watch at all times to prevent political interference with the C.B.C. or any crown corporation. In this regard, however, I feel that the committee has special duties and functions to perform. I listened with interest to the remarks of the hon. member for Port Arthur (Mr. Fisher). He brought out some very good points and in relating his impression of what this committee should do he said, if I heard him correctly, that the committee should scrutinize but that it should not put itself in the position of influencing or directing in any way the operations of the Canadian Broadcasting Corporation.

I cannot quite bring myself to agree wholeheartedly with that statement because in my view the committee can do a very worthwhile job after scrutinizing the operations of the C.B.C. by bringing in recommendations as to what the members of the committee believe should be done to improve the operations of this crown corporation. If those members who are fortunate enough to sit on this committee are merely to scrutinize the evidence presented to them and not suggest recommendations or give leadership as to what members of the house believe should be done, then I cannot see the point in a committee of this nature convening. Therefore

I must disagree with that portion of the remarks of the member for Port Arthur.

I believe that any time the house is confronted with expenditures in the neighbourhood of some $80 million by a crown corporation and we have the estimates before us involving the approval or otherwise by the house of such an amount of money, neither the house nor the committee on broadcasting should in any way, shape or form rubber-stamp estimates of this nature. I agree that there should not be political interference but I also believe that in many respects direction should be given by the house through the broadcasting committee as to what the house believes should be done. Whether or not these recommendations are carried out is in my opinion a matter for the house to deal with.

I should like to speak very briefly on a subject which I mentioned and which I hope will be gone into very thoroughly by the members of the broadcasting committee. I refer to the extension of services which I regard as a most important subject. To the best of my knowledge at this time I believe that from 82 to 86 per cent of the population of Canada are now serviced by C.B.C. television. My interest at this time mainly concerns that portion of the population of Canada which still remains to be serviced.

As the house well knows, I have made representations over the past three years with respect to the area I represent for consideration to be given to the provision of network television services in northern Manitoba. These representations have the full support of every resident of that area. I should like to take hon. members back a bit in the history of these representations just to put before the house a point with which I believe the committee should deal. Over the years we have requested the C.B.C. to provide network service to the areas of Dauphin, Swan River, The Pas and Flin Flon.

We made these representations to the very best of our ability. We made them in every quarter we thought would receive them. We have received very good co-operation from the Minister of National Revenue (Mr. Nowlan), the minister responsible for the C.B.C. We have received excellent co-operation from the officials of the C.B.C. We have even taken up the question with the Manitoba government and have received excellent co-operation from the Manitoba cabinet ministers concerned. However, we are not yet receiving the network facilities of the C.B.C. I am given to understand that it may be some time before we can expect to receive those services.

Hon. members may be aware of the fact that some time ago we had planned to have the C.B.C. investigate the possibility of servicing this area consisting of Dauphin, Swan River, The Pas and Flin Flon. A private television station at Yorkton, Saskatchewan, was interested at that time in extending its coverage and made application to the board of broadcast governors for permission to construct a satellite station in Manitoba which would increase the coverage of the Yorkton station and provide service for Dauphin and Swan River. The board of broadcast governors accepted this application and studied it very carefully. They dealt with it on two different occasions, and on each occasion they deferred it. Finally there was really no justification for deferring the matter further and, it is my understanding, the board of broadcast governors communicated with the C.B.C. to ascertain if its corporation had any immediate plans to service northern Manitoba with network facilities. The board received an answer to that specific question, and I understand they were informed the C.B.C. had no immediate plans. The board of broadcast governors therefore authorized the application of the Yorkton television station for the construction of this satellite station. At the moment the areas of Dauphin and Swan River are receiving television programs through this satellite station.

Immediately after that we made further representations to the C.B.C. but we were told that we had a good case when we had Dauphin and Swan River along with us. Those areas are serviced now. We are faced with the problem of jumping this gap and trying to get service into The Pas and Flin Flon. I think these are some of the things with which the committee should deal. I do not believe there was a sufficiently thorough study made by the board of broadcast governors and the C.B.C. in relation to this situation. I believe that if these two bodies had discussed the matter fully the C.B.C. would be planning now to provide network facilities for these areas in Manitoba. This result might have worked to the detriment of the Yorkton station, because I do not believe it would have been given a licence for that satellite. I say that a big mistake was made at that time. I am not being critical of the Yorkton television station, because I believe it is doing its best to provide adequate service. However, I have been in both of these areas and, despite the fact Yorkton is doing its utmost to give them the best service, the people in those areas generally are not satisfied.

In some areas the service provided by Yorkton is good, possibly as good as they would receive on the A contour of any station. However, in other areas the reception is certainly not adequate. I believe, therefore, the C.B.C. should take another look at that

situation and get away from this idea that if they provided network facilities through Manitoba they would be duplicating the service. I think they would be improving the service greatly, and I think they should be directed to take a look at the situation.

I think the members of the house are well aware of the fact that some time ago, during the hearings on the station at Edmonton in which the C.B.C. received permission to operate a station there, the president of the Canadian Broadcasting Corporation, Mr. Ouimet, made a public announcement to the effect it was the intention of the corporation to provide sufficient funds in this year's estimates for a kinescope service for The Pas and Flin Flon. Everyone interested in television realizes what a kinescope service is, possibly realizes it better than I do. My understanding is that this is strictly a canned service and that programs which are generally well received in Canada such as sporting events, the news and programs of that nature are not included in this service. I must admit that this type of service is much better than nothing at all, but I have a feeling that if this kinescope service is established it may be many years before another look is taken at these areas.

The frustrating part of the whole thing so far as I am concerned is the fact that during the study of this problem the C.B.C. was dealing with the Manitoba telephone system, the Manitoba government and various other people. The point which seemed to defeat the idea of putting live television into that area was the cost of renting the microwave facilities. The C.B.C. advises me that they do not construct these microwave facilities, but rent them from other carrying agencies in Canada. The cost of renting these services was the difficulty the C.B.C. could not surmount. I might say that I have been told a figure of $289,000 was the annual rental quoted to the C.B.C. for these facilities. This is a large amount of money, and I realize the C.B.C. would have to take a very serious look at that.

However, since that time various negotiations have been conducted and different types of service have been suggested, services without all the protective features of the service that goes across the main microwave system. Negotiations have reduced the gap to the point where there is only—I realize even this is a large figure—$100,000 annually separating the cost of providing kinescope and the cost of providing network facilities on the C.B.C. One hundred thousand dollars is a great deal of money. However, if they are going to put this kinescope service into northern Manitoba and are possibly not going to look at the situation again for another seven or eight years, I believe it will be a shame if this $100,000 annual charge is going to prevent these people in northern Manitoba from receiving network service for the next eight or ten years.

Those are some of the things that I think the committee should look at very carefully. I think they should look at them because I firmly believe that if they had been looked at and studied carefully by both the B.B.G. and the C.B.C. in the first place a network service would be going into that area at this time.

I also say that, as northern Manitoba is developing rapidly, if we put a kinescope service into Flin Flon and The Pas it will probably be not more than a year or two until the mining areas of Snow Lake and Thompson and Lynn Lake are going to be clamouring—and justifiably so—for the television service of the C.B.C.; and here again we are going to be confronted with the question, is it going to be kinescope or is it going to be live network? If it is going to be live network, then at that time it still has to be put through all the way to Flin Flon and further north. I think the committee should take a firm look at this matter and make a recommendation to both the C.B.C. and the B.B.G. to the effect that when any extension of services is contemplated the proper planning should be done so that duplication will not be necessary in the future. I sincerely hope that I shall have the opportunity of again being a member of the committee.

Before resuming my seat I should like to say that I am still of the opinion that this committee must come up with some recommendations and that it is up to this committee to see that those recommendations are carried out. That procedure, in my opinion, is not political interference. If a recommendation or a directive from a committee is going to be considered political interference, we have two alternatives. We have the alternative of rubber-stamping estimates in the neighbourhood of $80 million or there is no necessity for the committee to sit in the first place.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I was glad to hear the minister, when he introduced this resolution, say that it had been drawn in wide terms in order to provide a full and complete investigation of all matters respecting broadcasting and telecasting, both public and private. The act under which our system of combined public and private broadcasting was set up defines the functions and powers of the public corporation; but apart from mentioning the development of Canadian talent I could not

find in it anything about the role which radio and television programs should play in serving the national interest.

We all know that radio and television facilities are powerful agencies for providing entertainment, information and enlightenment to our people. Present day realities, however, are far different from those of 40 years ago or even those of 1936 when the Canadian Broadcasting Corporation was brought into existence. In those days perhaps it was not necessary to think beyond the three objectives I have just mentioned. Today, however, we are engaged in a war of ideologies, a deadly life and death struggle from which only one side can emerge victorious. Under these present day conditions we must keep in mind then the fact that radio and television facilities are not only the means of providing entertainment, information and enlightenment but are also the most powerful and useful weapons available in this battle for the minds and souls of men.

It is therefore evident that the role of our broadcasting service is an important matter. In right hands it can be a strong shield against subversion and a powerful offensive weapon in the cause of freedom. In wrong hands it can be used against us to destroy our freedom and to bring about our destruction. As the C.B.C. is a publicly-owned corporation, the management is charged with the tremendous responsibility of seeing to it that our public radio and television programs are of such a nature and are provided by such means and in such a manner that the national interest is at all times fully safeguarded.

In view of this change in conditions that has taken place over the past 30 years I feel that it would be helpful to the management of the C.B.C. if, in addition to defining the powers and the functions of the corporation, the Broadcasting Act contained some guide and direction as to the responsibilities of the corporation in safeguarding our national interest and as to the role the broadcasting service should play in achieving this result.

The C.B.C. can do much to strengthen Canada by helping to build a sound national character which is the real strength of every nation and by helping to build unity between our various groups and regions which have conflicting interests. The C.B.C. can do this by clarifying the moral issues involved and by helping us to unite on the basis of what is morally right.

The C.B.C. can strengthen democracy by defining and propagating the values and principles essential to the development of a free society. It can protect and strengthen Canada against the penetration of foreign ideologies by broadcasting to the four corners of our nation the answer to division, disunity and subversion. It can alert us to the danger of ideological factors and it can bring an answering ideology to our people. It can do all this by utilizing programs which at the same time will provide entertainment of the very highest quality.

From personal knowledge I know that such programs are available for I have seen them. For this reason I feel that specific objectives of the role of the broadcasting service should be written into the act as a directive by parliament in the interest of national security and I ask that the committee consider this suggestion.

A moment ago I said that in wrong hands or in the hands of people not fully alive to the realities of the present day ideological conflict the C.B.C. could be used against us to destroy our freedom and bring about our destruction. It can do this by weakening and undermining our national character and in particular by weakening our loyalties and our will to resist aggression and by fostering division and disunity through keeping alive our old hates, fears and prejudices. It can weaken Canada by propagating a foreign ideology and this is done by emphasizing false ideas such as the idea of peaceful coexistence and the idea that democracy does not need any ideology. It can do so also by emphasizing false issues and alternatives such as "Better red than dead" or "Accomodation or annihilation". Those of us who have seen what has happened in Hungary, Cuba and other countries taken over by the communists know that being red is synonymous with being dead as far as fighters for freedom are concerned.

I would be the first to admit that the C.B.C. has provided some excellent programs both from the technical and from the artistic viewpoint, but as a member of parliament who is concerned about the security of Canada and the threat to our freedom, I must say I am a little frightened at the amount of brainwashing and subversive propaganda which goes out over the C.B.C. day after day at the taxpayers' expense. Even many of the high quality programs to which I have referred contain subtle, ideological messages which serve the interest of those who are dedicated to destroying us instead of serving the true interests of Canada. In addition to these programs, I am also appalled at the extent to which the C.B.C. provides a national platform for subversives, some well known and others not so well known, a platform from which issues a barrage of ideas and points of view which have their origin in the Kremlin.

There are many indications of a growing disquietude among the Canadian people with regard to this aspect of the C.B.C.'s operations. In the little time I have to watch and listen to the programs put out by the C.B.C., I have seen and heard enough personally to be able to give positive evidence to the committee in support of the statements I have just made. Letters which I receive, together with personal contacts, convince me that an ever widening circle of thoughtful people share my concern about the way the Canadian public is being brainwashed without realizing it.

This resolution gives the committee power to send for people and papers. In the past it has been the practice to send mainly for officials of the C.B.C. and representatives of the private broadcasting organizations. I think it is important that the committee should hear not only the views of the producers but also of the consumers of these programs. I suggest that the committee should provide an opportunity for representatives of organizations, such as the Canadian Legion, parent-teacher associations, religious bodies, and others to present their views. Representatives of the various ethnic groups and organizations representing our new Canadians might be asked to appear. All could make valuable suggestions and I hope, therefore, that the committee will make a special effort to provide these various groups with an opportunity to put forward their points of view.

Mr. McGrath: Would the hon. member permit a question? Would the hon. member identify the document from which he was reading?

Mr. Carter: Yes. It was *Routine Proceedings and Orders of the Day.*

Mr. Arthur Smith (Calgary South): I want to say a few words at this point. Having listened to some of the previous speakers give their views of the various problems which they suggest could be examined in the special committee on broadcasting it has occurred to me that we should perhaps first decide in our minds what exactly our responsibility is as parliamentarians to broadcasting, not just to the Canadian Broadcasting Corporation but to the independent broadcasters and, of course, to the board of broadcast governors.

I say this in all seriousness because it seems to me that the line of demarcation between the direction or the persuasion that we might give is, indeed, very thin, but I think it is very important that we should have this line, thin though it be, very clearly defined. Each of us has the right to express his own views and I intend, before going into the area of examination, to give my interpretation of that responsibility. This does not apply only to the committee on broadcasting. It applies to many of the committees which this house sets up from time to time. I suggest, though, that broadcasting does have some very special significance because those who are engaged in public communication of this type have for the most part a very exclusive licence, one which is largely created because, there are only so many available channels and consequently so many available licences.

Obviously, then, those who hold the licences, whether for television or radio broadcasting, have a responsibility to parliament which, in the final analysis, decides through its agencies who should receive permission to carry out their functions.

I suggest our responsibility is just this: that as a committee we are expected to give the most searching analysis to every facet of broadcasting, whether it be the Broadcasting Act, whether it be the public corporation, the private broadcasters or the board of broadcast governors. We would then proceed, as we have done in the past to prepare a report for submission to parliament. Such a report is not necessarily binding, either on the corporation or on the private broadcasters. If it were binding we should have to ask ourselves why we had set up the board of broadcast governors and why the corporation had a board of directors to govern its affairs. Indeed, we should have to ask ourselves why we had given regulatory officials responsibility to carry out the duties which they have.

That does not mean parliament has not still a very important responsibility. If at any time we are unhappy about the principle of the regulations which are being provided, or the way in which these regulations are being carried out, we have, of course, every authority and responsibility as a parliament to change the rules or the principles governing these particular agencies, or the officials concerned. But I think it is important before we go into committee to remind ourselves that we have only the right and the authority to produce a report and make recommendations and not at this stage to direct or legislate. We are not dictating to any of these boards or telling them how to carry out their responsibilities. I fall back on the argument that if this were the case there would be no purpose in setting up these responsible bodies.

I have suggested that the corporation should come back before the committee. Having made an examination some two years

ago and produced a report I think it is important for us to analyse what has happened to our recommendations. I emphasize again that the bodies concerned are not bound to accept these recommendations, but they certainly have the responsibility to indicate what action they have taken or if they have ignored the recommendations, to indicate on what basis they have done so.

On the question of the corporation's whole financial structure I think the committee should be given some indication of whether there has been any attempt made to more efficiently commercialize the corporation and, if so, to what extent this has succeeded. I realize that for years to come the C.B.C. under its present structure, will have to be subsidized to a considerable degree. I have never disputed this fact.

But having said that, and as one who took part in an analysis of the financial structure, and because of the geography of Canada and the importance and necessity of the C.B.C., Canadian taxpayers of course, would have to subsidize much of the programming. My examination was based on this question: Is there any real effort made to recover any portion of the funds which the commercial operator is expected to recover as a private broadcaster? I will expect to receive an answer to this question.

I have one actual example of the C.B.C. taking to heart our recommendation. I refer to the Rose Bowl game. In my own city I raised a complaint that the Rose Bowl game was not televised throughout Canada. I received the highly logical reply that only a few stations had asked for it, that no sponsor could be found for the program and if it were carried it would represent a substantial cost that would have to come from the public treasury. That is an example drawn from my personal experience which indicates that the corporation has become conscious of the need to meet the cost of unsponsored programs, unless there is an overwhelming demand for them as a public service. I believe this is an indication that the committee's report last year has had some influence.

In fact, while this committee was severely criticized by some of the press in Canada it has had many beneficial influences. I agree with those who said that in some respects the committee was conducted rather like a circus. I am not of course speaking of the conduct of the chairman but of the committee members themselves and the behaviour of the committee to which, of course, I contributed. Nevertheless, I think it was an excellent committee in that it did produce satisfactory results in many respects. I think it would be wrong to discredit the work of the committee simply because there were unfortunate events which transpired in one or two of its sittings.

Turning to another aspect of the corporation, I think it should be asked to consider whether in its desire to be competitive, the corporation has perhaps gone to the opposite extreme in lowering its rate structure unduly. I am not sitting in judgment of the corporation at this point but I do think this relationship with private broadcasting should be closely examined.

Let us move on from the corporation to the responsibilities we expect to be met by the private broadcaster in view of the fact that he has this rather exclusive licence to communicate to the public. I think we should ask him whether in some instances he is really running a commercial or advertising vehicle and if he is living up to the principles enunciated by the board of broadcast governors. In our examination of the role of the private broadcaster we should make it clear that we, as representatives of the people, as parliamentarians, demand of him the same standards and integrity in broadcasting that we ask of the Canadian Broadcasting Corporation.

What, then, of the board of broadcast governors? They have now had an opportunity to function for over a year. They have established certain principles governing the conduct of all broadcasting in Canada. I, like many other Canadians, am a little suspicious that perhaps some of the rules are not sufficiently flexible and I wonder if they have attempted to blanket the industry with certain fixed requirements such as the 55 per cent Canadian content regulation and, having applied it, said, "This is something to which all must adhere without regard to the quality of programming." We have the responsibility of making an assessment of the new regulations to see if they are beneficial to the broadcasting industry as such and to ensure that the individual consumer is receiving the standard of broadcasting to which he is entitled.

I return to my earlier point that even after conducting this examination committee members have the individual responsibility to report their considered views to parliament. We are not, however, in the committee stage dictating what must take place following the filing of the report.

I turn now to an area of this field where I have the most difficulty defining for myself where our responsibility lies. When the committee was set up two years ago I said I felt it would be difficult for us to attempt to define what was a good or bad radio or television program. Like most viewers we are laymen in the field even though we had

on the committee in the last two years many professionals with much experience. However, we will never have two similar views concerning the value of one program as compared with another.

We have the responsibility, first of all, to examine the chain of authority within the corporation. Our second responsibility is to examine its financial structure to see if the Canadian viewer receives a full measure of value for his broadcasting dollar without our deciding whether program A is as good as or better than program B. I would suggest that our third responsibility is to examine general policy and to attempt to answer the question: Where are we going in broadcasting as a whole in Canada? What is the current trend and direction? I think those are our basic responsibilities.

I do not agree with those who castigate the corporation by saying that it is not fulfilling its responsibilities. It has shortcomings, of course, but by and large I believe it is performing a satisfactory service. That does not mean, however, that we do not have a large area of examination and of possible constructive criticism.

Another part of our responsibility is that of making an assessment of those programs which have a vital influence on communities all across Canada. I can think of many in this category. It may be considered that I am contradicting my former statement that we should not evaluate one program as against another but I feel this is a different area in which we do have responsibility.

In my hand I hold a newspaper clipping dealing with a broadcast which I believe illustrates my point. The author of the editorial complains about television cameras invading Springhill and presenting what he considered to be a warped version of the disaster that occurred there. I saw that program and I considered that it was somewhat overdone. I can think of others as well including the well-known program "Background". On one occasion it attempted to explore the question of Canadian and United States relations. It started out on the faulty premise that relationships were not good and in support of the argument produced opinions garnered from the man on the street, so-called. To me the whole tenor of the program created an allusion and then set out to prove it with unsubstantiated facts.

Why is this matter important enough for consideration by the committee? Does it not fall into the category of personal criticism of a program? Have I not contradicted an earlier statement I made when I suggested it was not our responsibility to evaluate one program as compared with another? I suggest it is something more basic than that. In questions of vast national importance and widespread influence we have a responsibility to criticize the approach taken. In a televised discussion of the problem of unemployment, for instance, a subject of extreme importance, we as parliamentarians in my opinion have to assume some responsibility for examining and, if necessary, criticizing the approach taken.

I am not comparing "Hopalong Cassidy" with "Have Gun Will Travel" but I suggest that programs of the type to which I refer have an influence not only national but international and we have a real responsibility in this area. This is the general area of broadcasting I believe the committee should examine and the course I feel it should follow.

As has been suggested by other hon. members we should also examine the question of political relationships not only of the parties but of individuals. I confess that at this time I have no solution but I am confident that in our discussions we can arrive at methods by which we can make fair assessments. There will always be criticism on one side or the other but the corporation has the responsibility of reflecting the political aspect and environment of the country. What concerns me is that on some occasions they attempt to even things up by overdoing it with one party one day and then by going to the other extreme with another party the following day which is not a satisfactory way of carrying out that function.

In many of these areas of responsibility I shall attempt to do what I did last year. I shall attempt by analysis to come to some basic conclusions. As committee members we cannot ask more of one another. I agree with those who have said that this committee gives us an opportunity to attempt to achieve a constructive approach not only to small, isolated issues but also with respect to the future of broadcasting in exploring the question of what direction radio and television are following in the country.

In the meetings of the committee I will attempt as I am sure my colleagues on all sides of the house will, to see to it that the committee conducts itself in a manner that is a credit to parliament. It is my hope that the committee can return with recommendations that will win wide approval, not just on the basis of individual conviction but on the basis of sheer logic and which will be creative, constructive and beneficial to the broadcaster and public alike.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the views of this group in general were very ably put forward this morning by

that provocative, political parliamentary prophet and philosopher, the hon. member for Port Arthur (Mr. Fisher). I say "provocative" purposely because he is a man of ideas. He does not worship at the altar of fixed dogma, whether it is related to personalities, philosophy or ideas.

In reading my correspondence, Mr. Speaker, I find it very interesting to learn that people do not all agree with the hon. member. I do not always necessarily agree in detail with the hon. member for Port Arthur, but at least he causes those people to think and that is a very important function of any agency or any member of parliament in our society.

Mr. McCleave: He is a great help to your party.

Mr. Herridge: In our opinion, Mr. Speaker, this committee could perform a very useful purpose—it does perform a useful purpose particularly in the changing conditions and circumstances that exist today with respect to radio and television—in an annual review of the circumstances with respect to the C.B.C., the public sector of broadcasting and the private stations.

The hon. member for Port Arthur suggested that there be recommendations, and if I heard him correctly one member rather criticized the suggestion that the committee should make recommendations. Let me say on behalf of this group that when the hon. member for Port Arthur mentioned a review and recommendations he did so in the same spirit as that mentioned by the hon. member for Calgary South (Mr. Smith), that is, in the fashion of an opposition member moving a motion urging the government to give consideration to so and so. They are simply suggestions made in accordance with the opinion of the members of the committee and public opinion; they are offered to the administration of the C.B.C. or the private stations in Canada in a helpful spirit.

I am not going to repeat the excellent analysis of the situation made by the hon. member or deal in detail with his suggestions or criticisms; I am simply going to emphasize one or two points which he made and which I think were warranted. First of all let me say that without a doubt there is a great support in Canada for the C.B.C., and when we offer some criticism, or make some suggestion, we do so in the same spirit as you would correct a child in the family of whom you are very fond, but who you want to see take the right direction and the right course of action. I hope that is clearly understood.

I think the hon. member made the point that there should be some clarification of the standard—and we agree it is necessary to set a standard—that the program content should be 55 per cent Canadian. I think he was on very sound ground. I think 55 per cent is good; you must have some goal to strive for. I do feel that what is meant by 55 per cent content of the program should be, as a result of the experience of the C.B.C. and the listening public in Canada, shall I say, more understandably and clearly defined.

The hon. member made some criticism of the fact that there was a tendency in the C.B.C. to confine the choosing of talent on radio and television to the Toronto area. I support him most heartily in that respect. Possibly it is not any individual's fault. Through some cultural inbreeding in the Toronto area I do think there has been a tendency on the part of those people to consider that creative activities are confined to small groups in the Toronto area and only a limited number of persons in Canada have the capacity to come up with new ideas. I am very pleased that the hon. member suggested that the C.B.C. should carry out a wider search for talent, I think he said in the bracken and the bush, if I heard him correctly. It did my heart good because I live in an area where there is a lot of bracken and bush.

Mr. Pickersgill: It must be a Conservative area.

Mr. Herridge: I do not live in an area of swamps and muskeg where 55 per cent of the population is supposed to be drawing welfare payments.

Mr. Pickersgill: That will get a lot of votes for your party.

Mr. Herridge: I am quoting the premier of Newfoundland.

Mr. Pickersgill: Read the Toronto *Globe and Mail* of this morning and you will find that that is an error.

Mr. Herridge: I want to make reference to some remarks made by the hon. member for Port Arthur and one or two other members, and some slight reference to the hour long television program with respect to President Kennedy's press conference. I am sure it was very informative, but we have to keep these things in balance. We in this group are doing the best we can, with the co-operation we receive, to put the present government out of power but at the same time we recognize that the Prime Minister (Mr. Diefenbaker) is the Prime Minister of Canada and we believe that more time should be provided for the Prime Minister of Canada,

for the Leader of the Opposition (Mr. Pearson) and for the hon. member for Assiniboia (Mr. Argue) who is the leader of this group in this house—

Mr. Pickersgill: Or the premier of Saskatchewan.

Mr. Herridge: —to bring before the people of Canada the important things which are being discussed and considered in this parliament and which are very directly related to their daily lives and the future of their children. I do urge that some consideration be given to that so that there is left on the public mind and on the young people's minds of this country the correct impression as to the importance of the parliament of Canada in relation to other governments and parliaments on the North American continent.

Having said that, I must say that I listened with great interest to the hon. member for Burin-Burgeo (Mr. Carter) and his remarks about the C.B.C. brainwashing the Canadian public and suggesting some sort of, shall I say, code as to what they could do with respect to the presentation of ideas in this country. I think to most this is a new brand of Liberalism. I was thinking of some of the Gladstone speeches that I have read, and the speeches of Asquith, of Campbell Bannerman, of Lloyd George, and of Sir Wilfrid Laurier. I am sure that not one of those great past leaders of the Liberal party would ever have suggested that there should be, shall I say, a control of thought on the national radio system of this country. We fought for freedom and freedom of expression, and every person in this country who obeys the law of this land and acts as a good citizen is entitled to that freedom of thought and that freedom of expression whether we disagree with it or not. I am one who believes that given freedom of thought and freedom of expression, in the clash of ideas truth will prevail. If we think otherwise, Mr. Speaker, we underestimate the common sense, the sanity, and the understanding of our democratic institutions on the part of the Canadian people.

I am now going to divert the direction of my thought from the general to the particular, and when I talk of particulars, Mr. Speaker, you will find me well within the confines of Kootenay West. Let me say that the people of the Rossland-Trail area and the Nelson area are very pleased indeed that finally the C.B.C. has erected a satellite station on Red mountain and also a satellite near Beasley bluffs in Nelson. Persons who are receiving C.B.C. programs now write me in numbers and express their pleasure at this opportunity to receive and hear the programs of our national broadcasting system. But when you do that you create an even greater demand on the part of people in the smaller communities who are denied this opportunity to hear C.B.C. programs in the same way as their neighbours in other communities.

I believe it was the hon. member for Churchill (Mr. Simpson) who referred to the 18 or 20 per cent of Canadians who are still denied C.B.C. television programs. In my district, Mr. Speaker, there are some 5,000 or more people who to this date are denied the opportunity to hear C.B.C. radio programs while other places have had television service for years. I have had letters from these various places and I urge the minister to bring to the attention of the C.B.C. the great desire of these smaller communities to be served by C.B.C. programs, both radio and television. I have written letters on a number of occasions and have raised the question in the house year after year.

I was informed last year that the C.B.C. was reviewing the question. I realize all the difficulties. These are persons living in smaller communities of a thousand or less who are making a contribution to the wealth of this country, and I think persons living in the smaller communities are, if anything, entitled to receive special consideration because of the particular advantages that television and radio have given to those who are not denied the cultural activities that prevail in the larger centres. Therefore I do urge that this matter be given some consideration.

For years I have made representations in the house and to the appropriate ministers and officials about the need for some sort of satellite community television broadcasting stations, and I am not talking about cable stations at the present time but about those that simply receive the signal and rebroadcast it and which operate on batteries or some other motive power. I was very glad that the department under the former minister of transport gave consideration to this question, recognized the need and drew up a set of rules and regulations. I am very pleased to know that only two days ago the cabinet passed an order in council authorizing temporary licences for the Saddle mountain broadcasting station and the Mount Sentinel broadcasting station. These are temporary licences granted until these communities can in some way obtain C.B.C. programs.

All these stations pick up United States programs and in the first instance the people are pleased to receive them. But in conversation with hundreds of people and in letters I have received from my constituents they tell me that they want to receive the C.B.C. both on television and on radio.

I realize the difficulties. They are small communities and you cannot expect the public authority to maintain a staff in a small area. I suggest that these co-operative community owned stations are a good solution of the problem but in order that these smaller groups who are doing something for themselves will not waste their limited funds and will take the right course of action I suggest that the Department of Transport, the other departments concerned and the board of broadcast governors should extend further co-operation by providing technical advice through sending engineers there to advise these people as to how they can proceed. I hope that this matter will be given consideration so that the co-operative groups who are operating these satellite television stations may be advised as to how they can now proceed to improve or extend their equipment in order to receive C.B.C. programs.

What I have in mind is this. There is a station now on Saddle mountain which picks up Spokane on one or two channels. Kelowna some 60 miles to the west has C.B.C. programs and I understand from the engineers that by installing another satellite station on a mountain of the range in between it would be possible for the C.B.C. programs from Kelowna to be received and rebroadcast in the Arrow lakes area. I use that as an illustration. Such a project requires technical advice and some investigation, and I urge that the C.B.C. give consideration to assisting these community groups to help themselves to receive the programs of the C.B.C.

There is one other question of local importance. Over the years I have been urging the need for low power relay transmitters and according to the annoucement of the minister I understand that authority was granted the C.B.C. and funds were made available for the establishment of several of these low power relay transmitters in British Columbia. Three of these were to be established in Kootenay West no doubt because the need was the greatest there, one at Nakusp, one in the Balfour-Procter area and one in the Salmo area. Because these people are denied the opportunity to listen to Canadian programs there is growing impatience over the delay that has gone on for years.

I have made some inquiries of the C.B.C. engineers in Vancouver and of Captain Briggs, the vice chairman of the C.B.C. in Ottawa. I am informed that the delay has been occasioned by reason of negotiations between the C.B.C. and the C.P.R. as to the line service to be provided and so on. I have discussed this matter with local officials of the C.P.R. and I am informed that the C.P.R. is the prime contractor in the provision of line service for the C.B.C. in Canada, that even the C.N.R. has to subcontract from the C.P.R., and that this is the cause of the delay in our district.

For instance, the C.P.R. provides line service for a low power relay transmitter at a place called Slocan on Slocan lake. That line service is provided over their lines from Nelson to Slocan lake. The line service from Slocan lake or Slocan city as we used to call it—it is not a city now—to New Denver is sublet to the B.C. Telephone Company. Then the line service to serve Nakusp will be provided by the C.P.R. Because it is an old telegraph line requiring parallel copper wires, I understand, and a lot of renewals as far as poles are concerned, there has been some hesitation on the part of the C.P.R. to do this. This means that not only does the C.P.R. deny us our steamer service and our passenger service but they are actually denying the opportunity to thousands of people to listen to the C.B.C. over low power relay transmitters.

I have had a lot of letters about this matter, Mr. Speaker, and a good many of them from Conservatives who are, I might say, very disturbed about the government's actions in other directions, but I shall not go into that this afternoon. I urge the minister to bring this matter to the attention of the C.B.C. and see if something cannot be done to speed up the provision of Canadian low power relay transmitters to serve these small communities which even to this day are denied the opportunity to listen to Canadian radio in spite of the fact that we have had radio service in Canada for many years now.

The final matter I wish to bring to the attention of the minister has to do with a private station. We have a private radio station at Trail and one at Nelson and on the whole these stations are performing a good community service. A few years ago I used to receive a lot of criticisms but I find that the criticisms are becoming less from year to year. They are performing a good community service, and in that regard I think our system is excellent with its combination of publicly and privately owned stations, the one type serving the nation on networks and the other serving local communities. I believe a local station can provide the local colour and interest that it is not possible to provide from a central point in Ottawa. However, I do have a complaint to make with respect to station CKLN in Nelson.

Let me explain that the Nelson *News* and CKLN, the radio station in Nelson, are both owned by the News Publishing Company. The Nelson *News* is an advocate of free

enterprise. During the last provincial election this newspaper urged the people to support the principle of free enterprise, the spirit of competition, and keep them alive. This is what I am trying to do today, Mr. Speaker. This incident relates to the practice of this principle, and it is the one unfortunate slip in principle they have made to date. I have told them I am very seriously concerned about it as are large numbers of persons in that area.

Another newspaper has started in this area and it publishes bi-weekly. It is taking advertising away from the Nelson *News*. The publisher of the weekly made a contract with CKLN to advertise over the station by means of these flash broadcasts. The day before his newspaper comes out he advertises that it is coming out and mentions the topical issues he will be discussing, as well as the places in which the newspaper can be purchased. This is the letter he received from the manager of this private radio station:

Dear Mr. Carlton:

We seem to be on the horns of a dilemma these days, a dilemma which must be obvious to everyone.

Now that your paper is establishing itself as a regular advertising medium, seeking its business from the same customers as ourselves, it is not reasonable that we should be defeating ourselves by building up in any way the success of a business competitor. We, therefore, are invoking section 7 of our contract. As of today's date we are serving you with 10 days notice of cancellation of your advertising contract No. 726.

I would further bring to your attention items 4 and 6 of the conditions of contract.

Yours sincerely,

A. R. Ramsden,
Manager.

Naturally the owner of this newspaper was indignant, as were a number of the businessmen who advertise in this newspaper. The point is that there is only so much advertising to go round and the Nelson *News* wishes to keep that advertising for itself. This radio station is a public utility operating under a licence given by the people of Canada. I have had a good number of businessmen speak to me about this.

In any event, I brought the matter to the attention of the chairman of the board of broadcast governors, and he had his legal advisers review the situation. In their opinion, there was no provision in the act to deal with the situation. The matter was considered also, under the direction of the Minister of Justice (Mr. Fulton), by the officers of the combines investigation branch, but it was not considered they could take any action. I consider this is a matter which should be discussed by the committee. Here was the only radio station over which this newspaper could advertise, and the newspaper was denied those facilities by a station which received a licence to operate what is, in effect, a public utility.

I have introduced a private bill dealing with this question after receiving advice on the matter. We approached this question from the point of view of the Canadian bill of rights which was passed by this house last session. I should like to read one paragraph from the explanatory notes contained in the bill.

The Canadian parliament, for public convenience, interest and necessity, has by the Radio Act allowed the crown to grant monopolies by licence to individuals and corporations to operate broadcasting stations for private gain. Under the common law and civil law, therefore, such stations must sell advertising time without discrimination. In 1960, parliament confirmed this law by statute. Section 2 of the Canadian bill of rights applies to provide that the Radio Act and the Broadcasting Act shall not be so used as to violate the rights or freedoms of any citizen: e.g., freedom of speech or freedom of the press. Presumably, the governor in council might make regulations to control such excesses or the minister of transport arbitrarily remedy violations by revocation or suspension of licence.

I do suggest that these are questions which should be considered by a committee. I understand that rarely in Canadian history has it been found that a radio station turned down advertising. I believe there is a principle involved. I am sure the owner does not agree with this action because I know him personally. He served in the same battalion as I did in the war. However, things are a bit tough and there is a struggle for advertising. I think the people involved have forgotten their principle for a moment, and I do suggest this question be given consideration by the committee on broadcasting.

Now Mr. Speaker, that concludes my remarks in general and my remarks in particular as they apply to Kootenay West. I shall now give the floor to one of these gentlemen who appear to have been listening to me with great interest.

(Translation):

Mr. J. J. Martel (Chapleau): Mr. Speaker, I should like to say only a few words on this resolution and start by giving a short historical account of the situation. I have no intention, of course, of stating the same arguments put forward by previous speakers on the matter, but I should like to acquaint the house with some representations that were made to me and which, in my opinion, are of general interest. Those representations should be carefully considered by this proposed committee which will look into matters of broadcasting in our country. Besides, as was stated earlier, a similar committee was

established a few years ago. So it is only a matter of resuming the work, of pursuing it and seeing whether some of the recommendations made at that time have been put into effect and whether some improvement has been noted in that field.

Radio broadcasting started in 1922 in this country and has known a remarkable development since then.

Only a short time ago, the future of broadcasting could seem doubtful. In some cases, radio broadcasting was not understood. Its potential commercial value was being overlooked.

In the beginning radio broadcasting had two main features that it has retained since then, namely that its development is due to the capital and labour of Canadians.

In addition, in former years as well as today, private radio stations were often a one-man or a family enterprise.

From 1922 to 1929, Canadian funds made possible the operation of radio. That same financial support is also responsible for other broadcasting mediums, such as television, which has expanded not only in Canada but throughout America in the last few years, that is, since the war.

I have here a brief submitted in 1956 to the Fowler commission, more precisely the royal commission on broadcasting set up by the former government. That brief was submitted by the Canadian Association of Radio and T.V. Broadcasters in March 1956.

Summing it up would take too long, of course, but I should like however to underline the general ideas or suggestions contained therein. Quite a few of these suggestions have since been adopted either by the former government or by the present government, after 1957.

The government had been requested at the time to set up an independent commission on broadcasting. Such a commission would have made it possible to correct the existing situation where a state agency was at the same time an operator, a competitor and a regulatory body.

Such a commission would also have made it possible to apply to television and radio, regulations similar to those which operate in other free countries, and also to develop a control structure based on democratic principles.

Such were on the whole the suggestions submitted to the royal commission on broadcasting.

We know now that the independent body requested at that time has since come to life. It is known as the board of broadcast governors, which is distinct from the Canadian Broadcasting Corporation.

Reference has been made in the past—and it is a point worth mentioning, I think, since it should be carefully examined—to leftist and communist influences and infiltrations which have been at work in the C.B.C. for a number of years and which at times were increasing.

A moment ago, the hon. member for Burin-Burgeo (Mr. Carter) referred to that situation. A few details have been given on that score. I think the committee should gather more information on the matter.

I would refer the committee to *Hansard* of July 25, 1955, where names of commentators on the English and French networks of the C.B.C. were mentioned.

I did not get a chance to ascertain all those assertions myself. However, I think that a detailed scrutiny of the charges laid against those people would be welcome and would at least give satisfaction to the public as well as result in a better opinion of the C.B.C. if those charges are not well founded.

If they are not true, let us give precise information, let us prove the contrary; in short, let us inform the public, and the C.B.C.'s reputation will but be improved.

I also have here an editorial written in 1957 about that famous communist infiltration which is reportedly based on information supplied by the trans-Canada anticommunist league. I never had the opportunity to check on that information, but I think the committee would be well advised to get in touch with the members of that anticommunist league, or to request further evidence or specific information with regard to those charges. If they are unfounded, I feel that the C.B.C. and the committee would do a service to the general public by putting the facts in their true light or by pointing out weaknesses that could have existed in the past, so as to prevent a recurrence of such mistakes or irregularities.

I also find in it some findings that impressed me and which were put forward over a year ago following the famous C.B.C. producers' strike.

Those findings are set out in a rather comprehensive article published in the periodical entitled *Relations*. I should like to emphasize one of its points in order to shed light on the situation. I do not intend to read out the whole article, but only part of it, if you allow me Mr. Speaker.

That article was published in April 1959 in the periodical *Relations*. I shall not read

all of the article because at one particular point, it does not seem quite exact. I quote:

The C.B.C. has lost the strike. Did not the C.B.C., publish in the *Star* March 7, on the very day the official agreement was signed, an advertisement which was no doubt sent before a final decision had been reached, clamouring its opposition to all forms of trade union activity on the part of administrative personnel?

A comment in English is added here in brackets, about that article.

I quote:

(Text):

The C.B.C. has not changed its position of being against any form of management union.

(Translation):

After closing the brackets, the article continues as follows:

It can be surmised that on this point the government-owned organization had been under pressure by big business and had undoubtedly been "advised" by the political counsellors of the cabinet having connections with the magnates of industry and finance. If a C.B.C. representative can still maintain that a "professional union" of television producers, considered as being part of the managing staff, negotiating a collective bargaining agreement, and in a position to resort, if need be, to unbiased arbitration, does not constitute a management union, he should be returned to school.

To me this is nothing less than a charge, insinuating that there had been undue influence or pressure on the part of the political advisers of the cabinet alleged to have connections with industrial and financial magnates.

Mr. Speaker, I think the committee would do well to check up on this. I, for one, do not believe that any political influence was exerted during the strike either on C.B.C. or on the producers themselves. Of course, there was a march on Ottawa. At that moment, some pressure was brought to bear on the members, asking them to intervene, but I believe that, finally, everything was settled by the force of circumstances and by public opinion which, contrary to what might have been expected, I dare say, took little interest in the strike.

Mr. Speaker, let me again emphasize the absolute non-interference of the government which, to my mind, refutes and denies the charge laid in this article of the magazine *Relations*.

In that famous article I find another idea which I would like to bring to the attention of the committee. This part of the article reads as follows:

What is less known, but should be made known, is the shameful complicity of the Canadian Labor Congress in taking no effective means to see that justice be done, and that the C.B.C. recognize the right to establish unions. What was the reason for this? Many of its officials, being members of the C.C.F. party, felt that a government agency should not be made to lose face. Already political requirements are stifling union basic principles.

I will go further than the article. According to information I was able to obtain, I would say that the strike might have been secretly instigated by the labour movement just mentioned as a means of determining to what extent the government would intervene.

Possibly C.C.F. members within the labour movement did not wish the strike to spread across the country. But I think they made use of the strike by employees on the French network as a test, with the intention of organizing producers into a management union, as it was called then. I would like the committee to go closely into that matter also. Naturally, much was said about the strike at the time, but I think it would be good to investigate that angle.

Resolutions or suggestions have been sent to us concerning some inquiries that should be carried out by the C.B.C. or perhaps by the B.B.G. In any case, the committee to be set up could look into that.

Then, I suggest that the brief presented last July by the Canadian home and school and parent-teacher federation should be considered. Since one of these questions is of special interest to me, and in order not to take the time of the house, I shall read a passage entitled:

(Text):

Re Television Research.

Be it resolved that the Canadian home and school and parent-teacher federation strongly urge the board of broadcast governors to undertake comprehensive research into the effect of T.V. upon the minds and personalities of boys and girls.

(Translation):

Mr. Speaker, this question might be studied during the sittings of the proposed committee. It is not a matter of dictating its course of action but by going to the core of this question, possibly supplementary information can be found in that area.

Now, Mr. Speaker, I wish to deal with questions which may be of local interest or with cases picked at random which were brought to my attention and which deserve to be mentioned here, even though they may concern my region more particularly.

Before going into those cases, I should like to go back to an answer given to me by the C.B.C. about a news bulletin broadcast at nine o'clock p.m., May 15, 1959, concerning the Unemployment Insurance Act. I asked for a copy of that bulletin and I will tell you later

for what reason. This news bulletin reads as follows:

> Last night the House of Commons gave second reading to the bill which will increase by 30 per cent the unemployment insurance contributions.
>
> 133 members voted for and 34 members of the opposition opposed the measure.
>
> The bill does not make provision for an increase in unemployment benefits but provides for an extension of payment.

As soon as I heard this news, of course, I asked for a copy of it so that I could check it myself because I was under the impression that this bill, when it was adopted, provided not only for an extension of the period of the benefits but also for an increase in the amount of unemployment insurance benefits. It is true that in some cases, the rate of the unemployment insurance benefits might have become lower but on the whole there was a marked increase. I give this example to show that some news bulletins must be checked. And it is desirable that such things be revealed.

As far as I am concerned, I can say that there has been considerable improvement in the C.B.C. since the separation took place and since it has ceased to be the only judge in the awarding of permits; nevertheless, I feel there is room for further improvement.

Mr. Speaker, this is meant as a constructive criticism, and I hope it will be considered as such.

There is another suggestion I want to submit, in addition to those which might be considered by the committee. It is about a particular case which, in my opinion indicates that at times the C.B.C.—and possibly not C.B.C. top officials—does not care about public opinion and does not even care about the opinion of those who take part in some programs. I would like to give a factual example of that.

This year a very interesting T.V. series was started. It goes on at nine o'clock Sunday nights. It is called "Passe d'armes" and is produced with the co-operation of the junior chambers of commerce of the province of Quebec.

I have it from reliable sources that, during its negotiations with the C.B.C., the federation of junior chambers of commerce of the province of Quebec rejected the idea of having a lady on each of the teams invited to face each other on that series, because the junior chambers in general are comprised exclusively of men. To be sure, there are a few groups of ladies auxiliaries called "Jaycettes", affiliated with the Jaycees—in fact there is one of them in Montreal—but usually the Jaycees admit only men, even though wives or girl friends of members are often invited to help in social activities.

In the first telecast of "Passe d'armes" two teams of male Jaycee's were representing their respective districts.

However, for the second program, the C.B.C. took upon itself to invite a lady to sit with each team and stated that this policy would apply to all programs until the end of the play-offs which will oppose teams from different areas in the province of Quebec.

Thus faced with an accomplished fact, leaders of the jaycee movement, who had participated in the first two programs of the series, could hardly withdraw their co-operation.

I realize that the presence of a lady on each team adds charm to the program. But that is not the point—for there is no doubt in my mind about that—but why did not the C.B.C. try to obtain, through the moderator of the series or the producer, the approval of the junior chamber of commerce. It might have been because of a specific requirement of the sponsor, I would not know. However, one thing is sure, and it is that the C.B.C. has little regard for the opinion of others, and that the co-operation asked of the chambers of commerce does not seem to have received C.B.C. support. In other words, it was a one-way decision.

In my opinion, it goes further than that, since in fact the C.B.C., after making changes or inviting a lady of its choice on each team for a particular program, imposed its will on the junior chambers of commerce.

I may be accused of personalities, but I only want to give an example. On the January 8 program—

(Text):

The Acting Speaker (Mr. Rea): Order. I have been listening very carefully to the hon. member. I think Mr. Speaker made it quite plain when the committee started that while it would be in order to discuss things which could be brought before the committee it would not be in order to go into details such as might be presented before the committee itself. The hon. member is

now going into specific details of a particular matter which is one which would, perhaps, be better taken up before the committee.

(Translation):

Mr. Martel: Thank you Mr. Speaker.

Of course, I do not think I will be appointed to the committee that will be established this year. I was not on the committee last year. That is why I saw fit to point out some particular cases which should be considered in the light of facts. In any case, if the committee wishes to consider the question, I will be delighted to provide it with the information I have on hand.

Mr. Speaker, I will abide by your decision and continue with the few remarks I have to make.

There is another somewhat peculiar case. I will not go into details, but it concerns representations made to me by the director of the operations of *Radio Nord Incorporée*, a radio and television station that may not be located in my riding but whose television programs reach us, as do radio programs of stations affiliated with that network.

I am referring to a program given on December 9, 1960, when all the private networks telecast the conference of the right hon. Prime Minister (Mr. Diefenbaker).

Station CKRN-TV did not have the privilege of telecasting that program, whereas the stations of the province of Quebec, Jonquiere, Rimouski, Matane, Three Rivers and Quebec—in a word all private stations in the province of Quebec—were able to do so.

I want to mention a complaint addressed to me, and on which I might give more ample information to the committee if the matter was found to be of interest.

Mr. Speaker, I would like to point out that, in the northern areas, as the hon. member for Churchill (Mr. Simpson) indicated earlier, there are vast stretches of land, and a member who spoke after the representative for Churchill seemed to want to make fun of the great empty spaces and swampy areas, but I must say that in those isolated districts, there are citizens without any means of communication, who can hardly get any news. In short, they are almost cut off from the rest of the country. Yet, those people are entitled to better treatment.

I am thinking of some districts in my constituency, such as Parent, Clova and Senneterre. With regard to Senneterre, I know that its request for a low frequency station was accepted by the B.B.G. and that it is now only a question of time. I think that people in the Abitibi region, and more particularly the people of Senneterre, will enthusiastically welcome the opening of that station.

But as they also would like to have television, various ways of going about it have been suggested to them. A collective tower or antenna, for instance, was mentioned, or the setting up of a satellite station. Those requests are being analysed at this time because some centres are sufficiently populated to warrant a serious study of a network that would reach them.

I want to point out that the mining population of the Chapais and Chibougamau districts has been established there for several years and has contributed not only in pushing the frontier further north, but also in helping the advance of civilization.

Mr. Speaker, I shall now end my remarks and I hope that the committee will study the responsibilities of the C.B.C. in detail and submit suggestions and recommendations to this house, in order to improve the present service as much as possible.

Moreover, I hope that the committee will voice some constructive criticism when necessary, in order to give people in the remote areas more consideration. These people are not second class citizens, but Canadian citizens and proud of it; consequently, they deserve to be treated with the greatest consideration, like all other Canadians. They also pay taxes, and as the population in the remote areas is gradually becoming more numerous, it is time that they get the C.B.C. services.

For all these reasons, I shall vote in favour of the motion to set up this committee.

(Text):

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the Canadian Broadcasting Corporation has served the Canadian people well for many years. The corporation, under successive governments, has been necessary to the development of the Canadian nation and to the development of the bilingual nature of its culture.

There has been evidence in recent years that the government has been prepared to remove some of the powers of the corporation and has been interested in having the C.B.C. develop its commercial revenues to a much wider extent. In my judgment this has weakened the corporation and has called into question the standards of the broadcasts it has been able to deliver.

Because of the size of our country and its bilingual nature it has been deemed necessary to have a national broadcasting system not dependent in its entirety on revenues obtained in a commercial way. Therefore

governments and the Canadian people have been prepared to support by way of public vote these important services. In our judgment it is essential that the corporation should be independent of political interference. To this end I would suggest that moneys for this service should be provided by statute over a period of five years so that the independence of the corporation will be all the better assured.

I believe that the C.B.C. as a national broadcasting system has the overwhelming support of the majority of Canadians. Many organizations across the country which take an interest in broadcasting have come to the defence and support of the corporation whenever they felt it was necessary. The Canadian Federation of Agriculture is one of the great organizations that has taken much interest in the C.B.C. and has presented briefs to the government and the committee on broadcasting in support of this system of broadcasting and has made recommendations as to its improvement. I should like to quote a short paragraph found at page 12 of the submission of the Canadian Federation of Agriculture to the committee on broadcasting under date of July 29, 1960. At page 12 of the brief we find these words which set out very well the purposes of a national broadcasting system and the issues involved:

> The issue here is basic. Is the content and quality of our national broadcasting service to be guided by commercial interest and necessity, or is it to be guided by the goal of a varied broadcasting service of a high standard which will make its maximum contribution to Canadian life and Canadian culture, and which will be used commercially only to the extent possible without endangering this goal. The proof of the pudding is in the eating, and it has been the opinion of many that the quality of television broadcast fare in Canada was and is not good enough, and that moreover this inadequacy could be attributed in considerable part to increasing pressure to meet commercial standards and requirements and to be commercially successful.

Any of us who has the opportunity to watch television has noted the increasing number of commercials that appear on our screens, I think to our own distraction. I feel they make little or no contribution to the cultural life of the Canadian people. I think advertising in this field is being overdone. I suggest the committee should inquire into the ethics of the whole advertising business. I feel there should be a thorough inquiry into the type of advertising used in the sale of drugs and a careful selection made of the kind of advertisements that should appear on our television screens and on the radio. I think the policy has gone overboard in demanding increased revenues from advertising at the expense of the listening public and the standards of programs.

There have been some interesting comments made in the debate today. I have been in the house almost all the time. There have been fewer attacks on and less criticism of the corporation in this debate than on previous occasions. I welcome that indication of greater support.

Reference has been made to some of the programs that appear in Canada. The hon. member for Port Arthur (Mr. Fisher) referred to the telecast of Mr. Kennedy's press conference and the great interest this type of program undoubtedly creates. I suggest that the United States in the field of press conferences and national political coverage have given us splendid examples of programs which examples should be adapted to use in Canada.

I have been asked on occasion whether the C.C.F. would support a national televised debate participated in by all political parties and I have answered strongly in the affirmative. I believe such televised debates would create much public interest, would be a good political education to Canadians and would lead to an increased interest in the democratic process.

However, in our country we seem to be going in the other direction. President Kennedy has had a press conference of a particular kind, a genuine press conference. We used to have a program on television called "Press Conference", and on this conference a person connected with the public life of this country would be questioned by a number of members of the press gallery. I am certain this program created a great deal of interest across the nation. The people interested in public affairs enjoyed the programs, and they learned a good deal not only of public policies but of the personalities in the nation who are directing those public policies. We all know the program "Press Conference" has gone by the board. I am not certain in my own mind of all the factors contributing to this decision, but I should like to know whether the Conservative members in this house had come to the conclusion that their cabinet ministers had better stay off "Press Conference" and that this was a very poor medium for them to use.

Mr. Morris: Nonsense.

Mr. Speaker: Order. I think the hon. member who has the floor has strayed a bit away from the subject that is before the house at the present time, namely the setting up of a committee. This may be a matter of general interest, but it relates rather to the conduct of political leaders.

Mr. Argue: Mr. Speaker, there have been references to a type of press conference that might be used on television. I think it is in

order. The fact that it might be a bit controversial does not lead me to think that that would make it improper to mention it in the House of Commons. However, on that particular point—

Mr. Speaker: I think the hon. member would agree with me that it is not a matter for decision by the house now. What we are deciding is whether to set up the committee. In so far as it is a matter that might be discussed in the setting up of the committee, the hon. member will be within his rights in raising it by way of indicating the desirability of the committee, but I would hope he would not pursue it too far.

Mr. Argue: Mr. Speaker, along with the hon. member for Port Arthur, I think this is certainly an area to which the committee might direct some attention. I should like the committee also to make some inquiries as to what happened to the program which was being prepared into the workings of the political parties in the country. I might tell you, sir, that I had a very interesting interview with one of the members of the press gallery, which was directed to this program. The information I have is that somewhere along the line the Tories would not show up and the program was then dropped. They did not want to be on the program and the Liberals said, "If they do not want to go on, we do not want a Liberal-C.C.F. affair, so we will not have anything to do with it, either."

Mr. Nowlan: On a point of order, I think the hon. member is speculating now on matters for which, if he is serious, I am sure he has no basis in reality whatsoever. If he has not, he should sit down and let someone else rise and we will get this committee appointed and then we will deal with the truth of these fictions that he is creating.

Mr. Argue: The minister has no point of order; he is taking part in the debate. I suggest that this is not a fiction at all. If there is an inquiry made into this it will be shown that at the Conservative headquarters someone representing the Conservative party said, "We do not want to take part in this particular program that is being undertaken—

Mr. Speaker: The hon. member is introducing a subject which, if it is pursued, will of course give the right to other hon. members to deal with it. Maybe this is something the committee will be well advised to take cognizance of, but I think it should not be pursued here in the form of debate other than to refer to it, as the hon. member has already done. I would hope he would pass to some other matters.

Mr. Argue: Mr. Speaker, I am prepared to do that with this concluding sentence on this particular matter. It is perfectly within the right of hon. members opposite or their organizations to say that they will not go on the program. I am not saying that they have not that right; but I would suggest the committee should look into this whole question of setting up such programs. I think the practice might be considered that if one party will not show up the program should be continued with those who are prepared to take part.

Now, Mr. Speaker, I should like to refer to another area of C.B.C. activities of great importance to Canada and to a great many of the people whom I represent. I refer to the question of an increase in the number of French television outlets in Canada. The C.B.C. has been active in the creation of French radio and television facilities, and I congratulate the corporation on the progress it has made in this direction; but I have felt that parliament itself and the committee should give consideration to providing the necessary funds to speed up the acceleration of this development.

Last fall I had the experience of speaking in one community in my riding which is largely a French speaking community; I refer to the town of Willow Bunch. I endeavoured to say a few words in the French language and made a short reference to the need for French television facilities in the province of Saskatchewan. I indicated that I would support and was supporting this extension of C.B.C. facilities. I was absolutely amazed at the tremendous response that this very short reference has received. I can think of no other item that I have raised in recent months on which I have received more correspondence. I must have had 150 letters or more. I sent out to my mailbox a few moments ago and I now have another letter on this subject. As I say, I have received, I estimate, 150 letters, all of them in support of French television facilities for the province of Saskatchewan and the extension of those facilities to French speaking communities where facilities do not exist at the present time.

I raise this matter in the house at this time to impress upon hon. members the desirability of increasing those facilities within Canada. We in this group feel that those facilities are desirable to emphasize the bilingual and bicultural nature of this country, to give to French speaking Canadians the opportunity to watch and hear programs on television in the French language and to give to our French speaking colleagues all

across the nation the chance to educate their children in the atmosphere and traditions of their own culture.

I realize that there are certain economic difficulties, since sums of moneys are needed to provide those facilities. I hope the government will give sympathetic consideration to increasing the appropriation in this regard, and I believe they will receive the support and the congratulations not only of the French speaking parts of our nation but of all Canadians who are interested in the development of a distinctive nationhood, and a nation based on the traditional cultures from which this great land has arisen.

Mr. McCleave: Would the hon. member permit a question?

Mr. Argue: Yes.

Mr. McCleave: The hon. member referred to commercials on the C.B.C. Would he do away with them completely?

Mr. Argue: No. If I left that impression I should like to correct it. I think that people who have much more knowledge of these affairs than I would suggest that there is a place for commercial advertising but it is being overdone. There are too many commercials and too much emphasis is being given to obtaining greater and greater revenues from advertising.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker I should like to put forward one point. I hope that the committee will consider increasing the number of low power transmitter stations. I come from a mountainous constituency with numerous valleys and most of these areas are very well served indeed by the C.B.C. or private local stations. The quality of the transmission is excellent and most people are able to receive it. But there are one or two places, and I have one in mind particularly, which are shut off entirely so far as reception is concerned except during certain hours in the evening. They are not able to receive Canadian programs either through the C.B.C. or private stations. To my mind this is a mistake. Their only source of culture or whatever you like to call it, in any event radio reception in all its phases, is the United States, and I think this is a mistake. It is true that the community is not very large but it is actually within two miles, I would say, of the Canadian Pacific railway whose telegraph lines serve low power transmitter stations efficiently within 30 or 40 miles on either side.

To me it seems to be wrong that there are growing communities in Canada which are not served by the C.B.C. or private Canadian stations. Certainly as far as the smaller communities are concerned it is not fair to say that they should have only a privately owned station and I believe that where feasible such communities should be served by the C.B.C.

I have one point in mind that I think is important. In British Columbia the regular transmission of school programs is now being undertaken and this community is cut off from receiving them. I do not know the exact number of children there but the community has its schools and they should have this facility.

I was quite interested in the remarks of the hon. member for Kootenay West (Mr. Herridge) who mentioned that possibly the difficulty had something to do with the availability of lines. I suggest that the broadcasting committee should look into this matter. For the record, the community to which I have been referring is Christina Lake in the boundary country of my constituency of Okanagan Boundary.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, I agree with the hon. member for Churchill (Mr. Simpson) and other hon. members who have made a plea for more consideration of remote areas. I hope the committee will find it possible to make a practical suggestion so that the C.B.C. television and radio stations at Goose Bay, Labrador, can give greater coverage in that remote area. I think it might be in order for me to mention that the C.B.C. radio station at Goose Bay does not reach the northern settlements along the coast of Labrador but the Eskimos there listen to programs in Eskimo broadcast from Greenland. Russian radio broadcasts also come in very well farther north while the C.B.C. does not. I thought I should leave this thought with the committee and perhaps I might also express a word of appreciation for the educational programs which fairly recently were included in the C.B.C. programs broadcast from Goose Bay.

Mr. R. J. McCleave (Halifax): Mr. Speaker, there are four or five matters which I think the committee on broadcasting, to be formed I presume when this debate ends, should consider. The first one is the fact that we are faced with a rather monumental increase in the amount of money that is to be voted by parliament for the Canadian Broadcasting Corporation, an increase somewhere in the neighbourhood of 15 per cent. Therefore I think it becomes our duty on behalf of the owners of the C.B.C., the people of Canada, to examine not only the efforts toward economy within the corporation itself but its efforts to find new revenue.

At one time I worked for the C.B.C. in a summertime capacity and I have also worked in private broadcasting so that, so

to speak, I have been on both sides of the fence. I know it is fashionable among some people in the industry to speak of peaceful co-existence with each other but for my part I decry that notion. There has to be co-existence of course, but I would hope that it would be competitive and that the C.B.C. would have no reluctance in getting into the fray and fighting for the advertisers' dollar. In an organization where so much emphasis is placed upon the development of native artistic talents there is always, I suppose, horror at the idea of having an aggressive sales force, but I think that can be done. There is no reason why the cash register and the grand piano should not, as it were, exist in the same room.

In debates of this kind previously I have mentioned the question of advertising salesmanship on the part of the C.B.C. and I also took it up with the officers of the corporation two years ago when they appeared before the broadcasting committee. I understand, though only from a chance remark that Mr. Ouimet made to me one day in the hall in passing, that the Canadian Broadcasting Corporation now has some "super-duper" salesmen employed. I would certainly want to find out in the broadcasting committee or have somebody find out what they are achieving and whether it is possible to obtain more of them.

In short, Mr. Speaker, I hope that the C.B.C. will not be shy in the matter of obtaining commercial revenue. I agree to a certain extent with the hon. member for Assiniboia (Mr. Argue) that it can be overdone. I think in the course of a week one gets a complete range of all the soap products that are manufactured in Canada through sponsorship of various programs by the manufacturers of such products. Maybe some other advertiser could be given a better break with regard to sponsoring some of these programs.

The second point that I think should be studied by the committee has to do with the new areas which have been opened up or may be opened up by second stations in different parts of Canada. This is a rather live issue in Nova Scotia where the people in the eastern part of Halifax county, Musquodoboit valley and along the shore from Musquodoboit harbour have complained for some time about not receiving satisfactory television service. There is a second Halifax station in operation now and I understand it will be at full power in two months' time. Again, another station farther east will shortly be in operation. This may solve the problem.

However, I think we should have some indication from the board of broadcast governors as to the new areas that are being opened up by the development of second stations because I think second stations not only have a responsibility within the competitive market when they start to operate in competition with the C.B.C. but they should also try to beam their signals in such a way as to give coverage to some people in outlying areas who do not now receive satisfactory television service.

The third point in which I would be interested, and this may be for the broadcasting committee or for the committee on external affairs, deals with the recent curtailment of the budget of the international service of the C.B.C. The result has been to cut the C.B.C. out of several areas in Europe, including Italy I believe where a rather enthusiastic fan club had developed for the C.B.C. international service, one member of which had even sent the head of the government of Canada a cake on behalf of this fan club.

Another point which I believe should be studied relates to the operations of the board of broadcast governors. I say this because there are those who, for political purposes, have been somewhat braver outside the House of Commons than they have inside during this debate in making rather loose allegations against the operations of this board. Knowing the men involved I would say that any scrutiny by the committee—this is my forecast based on the information I have—would result in a decision that the operations of the board of broadcast governors were above reproach. I believe, however, we have to make that examination in view of the remarks made concerning the award of some of the licences in Canada.

If I may take my own area as an example, there have been suggestions that one station manager, a successful applicant, made remarks beforehand that he had the licence in the bag. I believe this remark was made. I know also that remarks were made by the unsuccessful applicant to similar effect. This suggests to me that those who apply for T.V. licences are like the people who fight for the heavyweight championship of the world, and who claim their victory in advance. None the less, remarks like these are presented at political meetings out of context, and they make some people suspicious of the operations of the board of broadcast governors. I hope we will be given the opportunity to expose such remarks for the tripe they are. I have every confidence in the integrity of Dr. Stewart and the other members of that particular board.

Another matter which I think should be studied by the broadcasting committee deals

with the somewhat thorny subject of comment on the publicly owned broadcasting system. At the first meeting of the broadcasting committee I think we were successful in persuading the Canadian Broadcasting Corporation to change its previous policy and to take the step of appointing a full time man in Ottawa. We who have watched Mr. Norman DePoe on his television broadcasts know that an outstanding and impartial choice is made. He praises or damns without partiality at all. I hope the C.B.C. will give more thought—this can be examined by the broadcasting committee—to the appointment of similar commentators elsewhere. I believe this is the practice of the British Broadcasting Corporation, and it is something the C.B.C. could usefully study for Canada and give the broadcasting committee their opinions, pro and con.

Finally, Mr. Speaker, I think that the committee might—I am not so sure about this point—study the costs of microwave transmissions in Canada with relationship to the second network problem. This may be an unfair thing to ask of the committee in the light of the fact the C.B.C., in maintaining its competitive position, might wish to keep this information confidential. If they do, then I would not favour public exposure of it as it might hurt their competitive position. However, there is this massive and expensive system, and I feel something could be worked out so that the public corporation and private stations might use it, each bearing a fair and proper share of the costs. These points and others I feel should be developed in the committee. I hope I am lucky enough to be a member of that committee because it is a very enjoyable one.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, I do not want to delay the passage of this resolution, but I should like to say one or two words. I believe that in a large country like Canada broadcasting in all its forms is very important. When we consider the impact and the influence of broadcasting in Canada and also the amount of money which the federal government now spends on all forms of broadcasting, we come to the realization that broadcasting is a very important operation in our country and one deserving the attention which a parliamentary committee can give. It is for this reason, sir, I would support the establishment of this committee.

I know that in this committee there will be a good deal of talk about programs, the type of program and the timing of programs. I should like to make some comments on these subjects, too, but I am not going to do so at this moment. I would think the main purpose of the committee would be to improve, where possible, the reception in all parts of Canada. If broadcasting is going to be improved—I am including in "broadcasting" radio and television—then it must not only be improved where programs are being received but provision must be made for the reception of programs where no programs are now being received. I would hope that when the committee meets it will not only give consideration to the programs that are received in the various centres all across Canada but will give some consideration to the possibility of providing both radio and television service to those areas which are not now served.

I should like to give one or two examples, Mr. Speaker. I do not want to go into detail as this is not the place to do so. However, I should like to mention one or two points that have a relationship to my own constituency in order to explain the point I am trying to make. On a number of occasions I have brought up the question of the radio station at Corner Brook, CBY. The Minister of National Revenue (Mr. Nowlan) will recall the fact that I have referred to this question on a number of occasions. At that time I wanted this radio station to increase its power, change the ground pattern or change the frequency, so that the people who have received this radio station for a number of years, even before Newfoundland came into confederation and who are not now receiving it because of interference from CHEY, Newcastle, which operates on the same frequency, could receive it again. Apparently it was impossible to get this done.

A new station was licensed within the last two or three months, and that station is now covering the whole area which CBY was not willing to serve. Now after the new station is providing the service which these people require the C.B.C. decides that they are going to increase the power. Those are things of the type that I think the committee should consider if they are going to talk about improving radio and television services in areas where they are not received.

I am thinking of another case. We have had within the last two years or so a new television station at Corner Brook. May I say to the minister now that it is doing an excellent job. The only difficulty is that the station has a radius of only about 17 miles. Then 30 miles away from that city of Corner Brook is the large town of Deer Lake—that is to say, large by Newfoundland standards—one of 5,000 people who are not able to receive this station. They are getting no television reception at all.

Another case I have in mind is that of a radio station at Harmon Field where the equipment is owned by the United States authorities and where the station is managed by the C.B.C. with the help of United States personnel. When this station was first built it was to provide television coverage for the United States nationals at Harmon Field and those who happened to be on the outskirts of that air force base. Since the time when the station was built electricity has been provided to a much larger area than that to which is was provided at that time. It is possible now for people to receive television broadcasts if the power of the station were sufficiently strong to provide them. I believe it is possible for the Canadian government to come to some agreement with the United States government whereby the power of this station can be increased.

These are some examples of the type of problems to which I would think the committee, some time during its deliberations, would give some attention, so that they will be talking not only about the programs that are received in the larger centres across Canada but wil also be inquiring into the efficiency of C.B.C. operations in some of the fringe areas. I know that many persons believe that the committee will have much to say about the type of program that is received. They will be talking about commercials and all that sort of thing. These, of course, are legitimate items to be discussed in the committee. However, I would hope that they would broaden their activities and make some inquiries as to those areas in which television and radio reception is not being provided and not being distributed fairly so that if this is a national service, all parts of this country, where possible, will be able to receive the benefits of that national service.

Mr. Speaker: I must inform the house that if the minister speaks now, he will close the debate.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I am am glad to have the opportunity of speaking on this occasion. I do not propose to deal with all the matters which have been raised in the two-day debate we have had. It has been a good debate, I would think. Most of the arguments which have been brought forward have been of a constructive nature, and I appreciate the attitude shown by practically all the members who have taken part in this debate. At the moment I am going to deal only with one or two matters which were raised by the hon. member who spoke first in the debate, namely the hon. member for Bonavista-Twillingate (Mr. Pickersgill), who spoke immediately after I had made the motion.

The hon. member was critical of the contents of the motion. He suggested that it was vague and in fact he thought if possible that something had been left out. Actually, Mr. Speaker, nothing was left out. The resolution was that of the law officers of the House of Commons. I checked with them again afterward as whether this was their drafting and the fact is that it was not only their drafting but nothing had been left out. It was drafted in that way for one good reason.

I wanted the committee to have full scope in dealing with any phase of broadcasting with which the committee wished to deal. Last year we were criticized because the committee was set up at too late a date to conduct, as the committee finally decided, any sittings whatsoever. Two years ago the committee was set up fairly early in the session but even then it was under pressure. I wanted the committee this time to be set up as early in the session as possible and I wanted it to have full scope to deal with any point or any matter with which it wished to deal.

It is not for the minister or for the government to instruct the committee as to what matters should come before it. The C.B.C. is not a creature of the government. It is a creation of parliament. It is under the control of parliament. I wanted the parliamentary committee to have absolute control with regard to any aspect of any investigation which it wished to make. Therefore the wording of the motion is such that this control will be permitted.

The hon. member also referred to a statement which he attributed to me—I have not checked the record but I assume he is probably right—to the effect that an opportunity should be given—I may say this was two years ago—at a subsequent session to review the act under which the board of broadcast governors and the Canadian Broadcasting Corporation were operating. I hope the committe will decide to make such a review. I should like very much to see them do that. I would hope that in the very early part of their deliberations they would go over the act with the officials and would get the opinion of the officials as to how it is working.

The hon. member—and I will say this before I close this debate this afternoon—said that he also wanted to see an investigation as to the basis on which television licences are granted by the board of broadcast governors. I can assure you, Mr. Speaker, that there is no matter which in the opinion of the members of the board is more important than

that one. They want an investigation. They resent the imputations and the snide suggestions which have been made in connection with their actions in considering this matter. I personally have a great deal of pride in the record which has been established by the board and I know that Dr. Stewart and the other members of the board, full-time and part-time, are looking forward to appearing before this committee and answering any questions and dealing with criticisms.

I believe it is now five o'clock, Mr. Speaker, and that under the rules we must proceed to the consideration of public and private bills. I would therefore move the adjournment of this debate.

PRIVATE BILLS

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of public and private bills, the former having precedence pursuant to the standing order in that behalf.

INDUSTRY

PROVISION FOR CANADIAN PREFERENCE IN GOVERNMENT CONTRACTS

Mr. E. J. Broome (Vancouver South) moved the second reading of Bill No. C-4, to provide for a Canadian preference in government construction, purchase and service contracts.

He said: Mr. Speaker, in moving second reading of Bill No. C-4, an act to provide for a Canadian preference in government construction, purchase and service contracts, I think I should first of all set out the reasons why I believe this bill is necessary. It is a well known fact that the policy of this government, as well as of previous governments, is to buy Canadian products wherever possible. It is only right that public funds raised from the people of Canada should be spent as far as possible in Canada.

According to an article in the *Financial Post* of December 31, 1960 the federal government spent in 1959 a total of $1,362 million for goods and services, apart from wages, salaries and military pay. Government spending, therefore, is of major significance to our economy, and any increase in government spending in Canada which might be brought about by this bill will undoubtedly have a beneficial effect on the Canadian economy in increasing employment and also in the way of being returned to the public treasury in part in increased income and corporation taxes.

As long ago as July 23, 1921 order in council P.C. 2648 directed that all departments

—make purchase of goods of Canadian manufacture only for departmental and other requirements, except in cases where such action would result in the purchase of articles or goods of so inferior a quality as to make this action undesirable.

[Mr. Nowlan.]

This particular order in council is certainly not being followed today and, in fact, the vagueness of its wording is such that it would be almost impossible to implement.

Individual purchase orders or contracts in excess of $15,000 are reviewed by treasury board, and it is a well known fact that treasury board does give a preference to Canadian products. This preference is approximately 10 per cent. Therefore, in this area of government purchasing the present practice follows the principle embodied in this bill.

Under very special circumstances, the cabinet has occasionally ruled on Canadian preference. For instance, at a cabinet meeting on March 8, 1955 the coal situation was considered and it was decided that Canadian coal would be used in all government coal burning installations where the laid-down cost of such coal did not exceed the competitive cost of other coals by more than 10 per cent. This decision was reviewed at a cabinet meeting on February 18, 1958, and because of the difficulties facing the Canadian coal industry this price preference, on the recommendation of the dominion coal board, was increased to 20 per cent of the laid-down cost. The government annually buys about a million tons of coal, nearly all of it for building heating, and this increase in price preference was of major importance to our depressed coal industry.

Contracts for the building of ships for the navy and the Department of Transport are negotiated by the government or else, if competitive tenders are called, only Canadian yards are allowed to bid. We have shipbuilding yards on both the east and west coasts and on the great lakes, and government shipbuilding contracts are divided between these three regions.

It is certainly in the national interest to maintain ship construction and repair facilities in these three areas and to maintain the highly technical and skilled staffs necessary for this type of work. Therefore, I think it can fairly be assumed that the government has had in the past, and has now, a policy of "Buy Canadian" and extends a price preference to Canadian manufacturers. I think it can also be assumed that where government purchasing will help a depressed area with chronic unemployment problems, this preference can go as high as 20 per cent, as in the example concerning the purchase of coal I have just referred to.

Another example of how the government can take special measures to help a particular industry or company is the case of the subsidy given to Britannia Mines in British Columbia a few years ago. If this subsidy had not been given a whole community on Howe sound would have had to move in the depth of winter because even

the supply of heat and power for the miners' homes depended upon the operation of the mine's power plant.

Nevertheless, there are wide areas of government purchasing which have no clearly defined directive setting out a policy of Canadian preference. I refer to the thousands of purchase orders and contracts under $15,000 which are placed by scores of purchasing agents in the various departments of government. There may be individual departmental directives according to the thinking of the individual minister responsible for the department, but there is no clear-cut over-all policy applied uniformly to all departments. The one rule which does apply to all departments is that the lowest tender meeting specifications is to be given first consideration. On contracts over $15,000, treasury board does have the authority to take into account whether the lowest tender is the proper tender to accept, having due regard for the interest of the taxpayer and the well-being of the Canadian economy as well. In other words, treasury board can and does approve a higher tender if in its opinion the beneficial effect in terms of employment outweighs the increase in cost. Treasury board can do this because it has cabinet representation and is in a sense a policy setting board. The individual departmental purchasing agent does not have this authority and must go by the general rule in regard to the lowest tender being accepted as long as the tender meets all requirements.

There is another area of government purchasing which is not subject to any control at the present time in this regard. I refer to crown corporations such as the Canadian National Railways, Trans-Canada Air Lines, the Canadian Broadcasting Corporation and other government boards and commissions which report to and are responsible to parliament but which are not direct government departments under the immediate control and direction of a minister of the crown.

Crown corporations have multiplied in the past few years and have increased in importance to the point where their purchasing impact on the Canadian economy has become of major importance. These crown companies need pay no attention to the policy of the government but can set their own policy, and in many cases this policy does not conform to either the policy of this government or of previous governments in regard to a Canadian preference.

Government departments have from time to time been given directives to "Buy Canadian" but crown corporations have never been given any such instructions. In fact, in several instances at least, Canadian companies have not even been given equal consideration with foreign suppliers.

For instance, all of the engineering services for the building of the C.N.R. multi-million dollar Place Ville Marie project in Montreal were contracted to engineering firms in New York city, although we had equally competent engineering firms in Montreal, Toronto and, I might add, Vancouver. It is safe to say that literally hundreds of engineers, draftsmen and technicians were employed in New York on a Canadian job though these same skills may have been unemployed in Montreal or Toronto.

The C.N.R. would say in advance that this is the responsibility of their agents, but I do not think it would have been too difficult for them when they were negotiating this contract to have given instructions to have written into the contract that Canadian engineering services, Canadian products and Canadian materials were to be used in carrying out this project.

The same instructions could have been given to R.C.A., the C.N.R. agents who are now building a microwave system in northern British Columbia and the Yukon. If this instruction had been given I know of several contracts, now gone out of the country, which could have been retained in Canada. I know of one project which would have resulted in approximately 100,000 man hours of labour in Vancouver which was, in fact, lost to this country as a result of the operations of the present system.

I wish to repeat the statement I have already made, namely that there are wide areas of government spending which are not covered by present government directives. An act of parliament would cover all these areas as they exist today and as they may exist in time to come. An act of parliament would give legal sanction to a Canadian preference and an act of parliament could declare this preference in wide terms which would be a guide to officials of government departments and agencies subordinate to this house who have the responsibility of spending public moneys in the purchase of goods and services. Government policy would be set by this house rather than being left to the discretion of scores of purchasing agents in government departments and crown companies who now have no clear rule to guide them. I believe the adoption of this bill will be equally beneficial to the Canadian economy by giving leadership to the various provincial governments.

Provincial purchasing policies usually favour local products, and in certain provinces local products have price preference over products from other provinces. I have pointed

out that the federal government does try in certain ways to give a Canadian preference but I know of no province which does this. The provinces tend to think of 10 Canadas rather than one and I know of instances where foreign goods have been purchased instead of Canadian goods when the price difference was as little as 2 per cent or 3 per cent.

The provinces pay lip service to the purchase of Canadian goods by saying that Canadian goods shall be purchased, all other things being equal. This is no preference at all. The only preference which has any validity is a price preference.

We cannot have regional prosperity in Canada if we do not have national prosperity. This house can give leadership to all governments in Canada, provincial and municipal, by adopting the principle of this bill.

No discussion of this bill would be complete if we ignored the possibility that it might jeopardize our trading relations with other countries. Prosperity in British Columbia is dependent upon a healthy export trade as is indeed prosperity in most of western Canada. We want a continuing export trade pattern. We know that trade is not a one-way street. If we wish to sell we must also be prepared to buy. We are extremely proud of the fact that since this government took office each year has seen an increase in our export trade and also a healthy diversification in our trade pattern with record sales to the United Kingdom and commonwealth markets, and to Europe as well.

In spite of these substantial increases the United States still remains our most important market. The United States could not take exception to the provisions embodied in this bill because their own laws extend a preference in United States government purchasing two or three times greater than that set out in this bill. In fact, all western industrial nations through either formal laws of their parliament or by government directives give a preference to their own citizens in government purchasing. As long as the preference we extend is reasonable and does not become all exclusive because it is set at too high a figure, I am convinced we will not be subject to criticism by other countries. In fact, under the present system, importers have a legitimate criticism of the government in regard to contracts valued at over $15,000 which are reviewed by treasury board, because they do not know where they stand. They do not know what preference will be given to their Canadian competitor.

Treasury board has a leeway. Treasury board has a range in which it can make a decision. If a foreign competitor happens to be as much as 11 or 12 per cent lower than the Canadian bid the Canadian firm may still be chosen by treasury board, particularly if this contact would give aid to a depressed area suffering from chronic unemployment.

At this stage of the bill we are concerned only with its principle and not its details. Nevertheless I should like to touch upon some of the clauses of the bill in a general way. I have already received a letter from the Canadian Council of Professional Engineers who are also speaking for the Royal Architectural Institute of Canada pointing out that the proper method of retaining a consultant in either of these fields is by negotiation and not by tender. At some later stage, therefore, this bill will have to be amended and a new clause written to cover professional services and to delete reference to this service in the general clause dealing with service contracts which would still be allotted on a tender basis.

This is a highly complex bill and there may be other clauses which will require either slight or major modifications as well. I would suggest that if this bill is given second reading today it should not be proceeded with further but should be sent to the standing committee on banking and commerce where interested organizations and individuals can be heard. This committee could act as a sounding board for Canadian opinion on this subject and the evidence secured would be of tremendous advantage in helping the government draft its own legislation on this subject.

A private member does not have the resources for research which are available to the government and it is therefore not too difficult to point out flaws in legislation proposed by private members, yet many of the ideas behind these bills are worthy of further consideration.

For instance, I have had on the order paper for the last two sessions a bill dealing with the publication of financial statements of wholly-owned Canadian subsidiaries. In the throne speech this year the government indicated that it would bring in its own legislation on this subject. Undoubtedly some department of government is now attempting to draft legislation in line with announced government policy. I am quite sure that if my bill on this subject had been referred to a committee of the house for study the evidence given before that committee would be of great assistance and guidance now in the drafting of government legislation on this matter.

If this bill is sent to a committee the clauses which define a Canadian company will certainly be given very close study. This problem was faced by the Right Hon. James Lorimer Ilsley. Mr. Ilsley set out three requirements which must be met before a corporation could be considered a Canadian company. These requirements are found at pages 27 and 28 of the report of the advisory committee on war claims. The first requirement was that the central management and control should be in Canada. The second was that it should be engaged in active trading activities in Canada either directly or through subsidiaries. The third requirement was that a substantial part of the corporation's capital should be Canadian. Mr. Ilsley felt that as the policy of this country for many years had been to encourage the inflow of capital in resources development and secondary industries it would be inappropriate to require a large proportion of the capital to be Canadian before regarding the corporation as Canadian.

In fixing the proportion of Canadian capital Mr. Ilsley followed the agreement of 1948 between the United States and Yugoslavia regarding claims of the United States government against the government of Yugoslavia on account of the nationalization of United States companies. Under this agreement the United States government considered a company to be a United States company when Americans owned 20 per cent or more of the stock. Mr. Ilsley concluded by saying:

> If the passing of these three tests is required in determining whether a corporation is Canadian, it will in my opinion have the effect of singling out corporations whose real interests are Canadian and whose successful operations are of importance to Canadians.

Provision for exemption of contracts singly or by group is contained in clause 3 of the bill which reads:

> (2) The governor in council, where it is in the public interest or necessity so to do, may by regulation provide that this act shall not apply, in whole or in part, to a class or group of contracts or may by order provide that this act shall not apply to an individual contract but every regulation or order so made shall be tabled in the House of Commons within fifteen days after it is made or, if parliament is not then in session, within fifteen days after commencement of the next ensuing session.

I believe hon. members on all sides of the house should support this bill, Mr. Speaker. It may well be that its objectives could be covered by a new government directive which would clearly set out a policy for all government departments and would cover crown corporations but, in my opinion, an act of parliament can accomplish this objective in a much better way.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, with a proper respect for the usual rules of procedure I hesitated, in all modesty, before rising to give an opportunity to one of the non-commissioned officers or one of the privates on the official opposition benches here this afternoon. Possibly they are going to speak later. Because of the ability of the hon. member for Russell (Mr. Tardif) to get into the Ottawa papers and to do battle with Charlotte Whitton I would give him the rank of sergeant-major. I am the first parliamentary broom from the opposition benches, Mr. Speaker, to start sweeping on this bill introduced by the hon. member for Vancouver South (Mr. Broome).

First of all, I must say that we in this group agree with the spirit and intention of the bill. We look upon it as a pro-Canadian bill, not an anti-American bill, one designed to tidy up, shall I say, our own housekeeping in the public sector of our economy by showing some preference, when it comes to public purchases and so on, for Canadian goods.

I listened with interest to the hon. gentleman's remarks. It is obvious that he has given some considerable thought to this question and I think that merits mention. When a member takes the time to give some thought to a problem of this sort it means he is interested in the problem and he is doing his best to perform his duties as a member of parliament. It is obvious, as he says, that it is a complex bill. There are 10 sections dealing with the definitions and making provision for the administration of the purposes and intentions that he expressed during his remarks.

In looking at the bill I was interested to know that an order in council had been passed on July 23, 1921, P.C. 2648, which in a somewhat ambiguous way, I would say a completely unsatisfactory way, attempted to do in some respect what the hon. member is attempting to do by the introduction of this bill. I presume the introduction of the bill by the hon. member was prompted by his knowledge of this order in council, by the circumstances that exist in Canada today and by the past and present government's failure to do anything about it—on that score we give him full marks—and to deal with the situation objectively and to seek definitive authority as a result of legislation brought before this house.

However, Mr. Speaker, the hon. member did say that this is a complex bill. I have read it through a couple of times. There are many aspects of it that require a thorough examination. While we agree with the spirit and the intent of the bill, we think that before legislation of this type is adopted hon. members must have more information as to

all the circumstances surrounding the situation that exists and the situation the bill aims to correct.

We agree with the hon. member who introduced the measure that the bill should go before the banking and commerce committee. This committee would have the opportunity to call witnesses and hear evidence and obtain the views of the witnesses for or against the bill. In this committee there would be an opportunity to call officials of the appropriate departments of government to give information as to the effect this measure would have in achieving the objectives outlined by the hon. member who introduced the bill.

It is a complex subject, and its many ramifications want a thorough study, in the opinion of this group. Therefore, Mr. Speaker, I move, seconded by the hon. member for Skeena (Mr. Howard):

That this bill be not now read a second time but that the subject matter thereof be referred to the standing committee on banking and commerce.

Mr. J. A. Habel (Cochrane): Before the question is put, Mr. Speaker, I would say I have no doubt in my mind of the sincerity of the intention of the hon. member who introduced the bill. I represent a riding which has a large investment of United States capital, for which we are very thankful indeed. My riding contains an industry which provides employment in the whole district, for which I am thankful. It seems to me that this bill is being introduced at a very bad time. In fact, if one just thinks of the happenings of a few days ago one recalls that two ministers of the present government went to the United States to meet the new administration down there to try to sell more oil in that country. The more we talk about preventing the United States selling or investing in this country the more harmful it will be to good understanding between the two neighbouring countries.

I hold in my hand a number of clippings. I will not mention them all; but only a few things in connection with them. I have a clipping from the Ottawa *Citizen* dated January 25, 1961, and the heading of the article is:

Bark of Canada worse than bite,—U.S. Investors.

I find the following in the article:

Most expressed annoyance, not alarm. They feel that the move will not hit their present holdings too hard, but they might be reluctant to invest further in Canadian plants if they are to be singled out by the tax collectors.

This indicates how careful we should be when we are dealing with our neighbour.

[Mr. Herridge.]

I have a clipping from the Montreal *Gazette*, dated January 26, which reads in part as follows:

Canada's trade relations with the United Kingdom have reached a critical point where imports from the U.K. may be restricted by measures designed to solve other problems.

This goes to show that if on the one hand we are to lose the United Kingdom market it would be wise for the present government to consider our neighbour's market. As I said a moment ago, a delegation went to the United States to try to bolster our oil sales to the United States.

Regardless of what my good friend in the C.C.F. party who just preceded me had to say about our being more or less silent, I think I can speak on behalf of the official opposition and say it was simply a case of giving way to the hon. member because it was understood that I was going to speak on this matter. I thought it was my duty and also the duty of the official opposition to make our position quite clear about the whole matter.

I should like to refer to an editorial in our local newspaper, the Timmins *Press* of January 25, which is headed, "What Is Our Trade Policy?" If I try to link trade policy with the bill, Mr. Speaker, it is because we must be careful if we want to find markets in which to sell our own goods. The first paragraph of the editorial reads as follows:

In any discussion of worsening relations between Canada and the United States, the Diefenbaker government must be regarded as the chief sinner.

The last paragraph reads as follows:

What they are concerned about—or should be—is the development of our business and industry. The vacillating and self-contradictory position of the government has puzzled United States investors. Perhaps it may force Canada to go it alone economically at a time when more investments are vital to our continued economic growth.

So, Mr. Speaker, although the bill may have been presented in all earnestness and sincerity, I think this is a matter that should be dealt with, very carefully; and we should seek to understand what would be the result of such a move with respect to our trade with other countries.

I also noted that the sponsor of the bill stated there was a clause in it providing that the governor in council may, when it is found to be in the interests of the public, exempt any group or class of goods. What is the use of having such a bill if it has a clause in it stating that the governor in council can do whatever he likes? It means that the bill will be absolutely useless. In the explanation of that clause it is stated that group exemption regulations become invalid if not approved by the house in 30 days. What would happen if

contracts were signed two weeks after a session ended and the next session did not begin until six months later? What would be the worth of having such a clause in the bill? I leave it to the house to judge as to the necessity of much a measure. For myself, I do not even see any necessity of sending the bill to a committee for further study.

Mr. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, in rising to make a few remarks in connection with the bill I can only say that I was very surprised indeed to hear some of the comments made by the hon. member for Cochrane (Mr. Habel), and I understood him to say that the views he expressed were those of the official opposition. With the number of representations I have had from trade unions across the country and particularly from my own area urging that a policy of buying Canadian products should be followed in order that the members of these unions may be employed, it is certainly surprising to me to find the opposition taking this position.

Personally I do not have any great objection to United States firms. The principle I would follow is that the goods are manufactured in Canada and produced by Canadian workmen is the essential fact that we must consider. In view of some of the remarks made by the hon. member for Cochrane it would surely be a ridiculous position for the government to provide for winter works as it is doing and to make money available for sewage projects throughout the country if that money is going to go to the United States to provide employment in that country. That is what I understood the hon. member to say.

Mr. Habel: That is not what I said.

Mr. Browne (Vancouver-Kingsway): The hon. member will correct me if I am wrong. I understood him to say we should not worry about bringing in goods from the United States. I also find it surprising that he should have taken that attitude because preference for goods made at home is a policy that has been applied by many other countries. I wrote to the Canadian Manufacturers' Association some time ago regarding their program to encourage Canadians to buy products made in Canada in order that employment may be provided in this country. Here is one point they make in their reply:

> I might note here that many other governments, notably Great Britain, Australia and, to a certain extent, the United States of America have seen fit to make domestic buying an instrument of national policy.

So that the very country to which the hon. member referred takes the attitude that they should follow a policy of giving preference to purchases in their own country. I mentioned earlier the representations I have had from trade unions. I think we should perhaps give some consideration to an extension of the provisions of the bill and that when the federal government makes money available to municipalities or provincial governments they should see to it that the money goes to purchase goods made in Canada wherever possible. Money spent in this way involves a growing portion of our national financing. Much of the money spent by the federal government is spent in the form of grants to provincial and municipal governments to provide for various projects.

I can see some other benefits in the government pursuing such a policy at this time. It is true, as the hon. member for Vancouver South (Mr. Broome) has said, that the general policy has been to buy Canadian products wherever possible but it has been left to individual departments of the government and in many instances purchasing agents are not as aware as they might be of the policy of the department. In the letter I have from the Canadian Manufacturers' Association there is this statement:

> Many cabinet ministers have already expressed their desire that their departments follow the buy Canadian principle when buying. There have been many encouraging reports that their desires are being met.

I think the proposal that the government should give preference to Canadian products is only part of the whole problem because to be of real consequence the same policy has to be followed by everybody in the country. The only thing that can keep Canadians working is the production of goods in our manufacturing plants throughout the country and when these goods are produced they have to be sold. No one can expect people to buy goods if they are completely outrageous in price or of inferior quality, but generally speaking I do not think the people of Canada have realized the necessity of buying Canadian goods where possible.

When goods are of equal quality and equal in price I do not think that in many instances our people are conscious enough of buying Canadian products. In many cases this is perhaps brought about because of the advertising of United States products over and over again on television and in publications, a problem that the royal commission on publications is dealing with at the present time. People are familiar with the names of United States products and companies to a large extent. When our own products are equal in quality and equal in price, surely under these circumstances there should not

be the slightest doubt that we should follow a policy of preferring to buy Canadian goods.

I was very pleased to hear the hon. member for Vancouver South suggest that the bill should be sent to a committee for study because in my opinion it is a most important matter. It is one upon which an opportunity should be provided for the expression of views in order to ascertain what action this parliament might take. I do not know of anything else that could be done that would do more to create employment in Canada if it were pursued to the fullest extent.

Mr. Habel: I should like to correct the impression left by the hon. member who just took his seat. I must say that I never had in mind the giving of preference to United States goods. The point I was trying to make was that it is this kind of bill that creates the impression in the United States that we are trying to prevent them from investing in this country. My point was that as a young country we certainly need their investment.

Mr. Frank Howard (Skeena): Mr. Speaker, I think perhaps the amendment before the house is one to which there is no opposition and perhaps it should be endorsed with the greatest amount of speed in order that the subject matter may be dealt with by a committee of the house, and in order that the interested parties might appear before that committee to present their views. I shall have more to say about that in a moment.

I think the hon. member for Cochrane (Mr. Habel), by deferring his opportunity to speak, as it were, to the hon. member for Kootenay West (Mr. Herridge), has really proved a statement made a few weeks ago by the Minister of Trade and Commerce (Mr. Hees) to the effect that the C.C.F. is the effective opposition. I understood the hon. member for Cochrane to say, and if I misunderstood him I certainly hope I will be corrected, that the position of the official opposition was that it was opposed to this subject matter going to a committee. I hear no voice raised to correct that understanding, so I assume it is correct. This is typical Liberal philosophy. Let us not be concerned about what other people think, but let us cram our ideas down their throats. You know the type of C. D. Howe activity that existed for so many years.

I support the idea of giving this matter extensive and detailed consideration such as can be given by a committee. You will note that it has always been our approach here that private members' bills should be given this treatment and not just left to die on the order paper as most of them are. One or two interesting things have been drawn to my attention which touch upon the subject matter of the bill. I have in my hand a joint Canadian National Railways-T.C.A. pass or credit card such as has been issued, I imagine, to every member of the house as well as to a number of other people in Canada. We know that both the Canadian National and T.C.A. are crown corporations and, presumably, would have the interests of the nation at heart. I have noticed that on the back of this particular credit card there are the words "Printed in U.S.A."

This really makes one wonder whether the Canadian National or T.C.A. even bothered to inquire as to whether there was a company in Canada in a position to print credit cards of this nature. I understand that there is such a company in existence. Perhaps this is something that these companies should clear up for us. I think perhaps T.C.A. and the Canadian National should review their policy in this regard and perhaps follow out the general idea we all have about Canadian purchases.

I have been told also, and I have no reason to believe it is incorrect although I did not take the opportunity of checking for myself, that there is a new men's washroom on the sixth floor close to the parliamentary restaurant. This is in the process of being decorated and provided with coat hooks. There is a stamp on these coat hooks which indicates they were made in the United States. It would seem to me that perhaps the people who purchased this particular item might have shopped around a little bit more to ascertain whether coat hooks of this nature are made in Canada. I am of the opinion that they are.

I only want to reiterate, Mr. Speaker, that I think we all realize the government—I do not confine these remarks to this particular government—has not all the brains in the country or all the brains in parliament. One of the reasons that private members, such as the hon. member for Vancouver South (Mr. Broome) introduce these bills is the hope that they will become law. When an individual prepares a bill and introduces it he is sincerely of the opinion it is a good piece of legislation and will be beneficial to the interests with which he is concerned. I know that this is the case here.

I think perhaps what should happen, not only to this bill but to all such bills, is that they should be referred to committees in order that they may be tested in the arena of public opinion, and tested against the statutes to ascertain whether there is any conflict and whether the idea should be advanced, rather than have such bills talked out day after day and die on the order paper. I feel that in this way we would be showing more respect for the ideas and views

of the private members of this house, and we would be assisting the government in coming to a conclusion about those matters which it has not yet considered.

Mr. R. C. Coates (Cumberland): I should like to take a few minutes of the time of the house to make a few comments on this bill. First of all, I should like to indicate my surprise and shock at the attitude of the hon. member for Cochrane (Mr. Habel) when he spoke for the official opposition and indicated his opposition to this bill. In effect, the official opposition is saying that they oppose this 20 per cent preference provided for Nova Scotia coal which is moving to government institutions throughout Canada. This attitude is quite a shock to me because I would have thought that with the situation as it is at the moment the official opposition would be more than willing to adopt the attitude that this bill should be referred to the committee on banking and commerce in the hope that consideration would be given to increasing this 20 per cent preference rather than eliminating it altogether. The elimination of this preference would only result in far greater damage to an industry that is now having tremendous difficulty in finding markets.

I know when some people read this bill they might feel that the 20 per cent preference being provided for Nova Scotia coal is rather high. When we consider the tremendous benefit that the sale of Nova Scotia coal has on the economy of Nova Scotia, and indeed on the whole of Canada, I believe people would be more than willing to continue to provide this preference and, under present circumstances, give serious consideration to increasing it.

One of the main reasons why this 20 per cent preference has not accomplished all it might have accomplished is the tremendous transportation costs which coal is obliged to bear in order to arrive at the market where it is in demand. From the attitude of the hon. member for Cochrane I am forced to assume that he would be much happier if thermal plants and government institutions in Ontario and Quebec were to use United States coal. Certainly from his words it would be most difficult to assume otherwise. In his statement he said that this was the view of the official opposition. We must therefore assume that this is the view of Liberal members in general, namely to withhold this preference from Nova Scotia, even though we on this side of the house at least are aware of the tremendous difficulties being faced at the present time, with the closure of the mines imminent.

I should like also to say that it was this government that increased this preference from the former 10 per cent to the present 20 per cent, thus indicating our belief that at least 20 per cent in the way of preference should be placed on coal. Indeed, it is my feeling that an even greater preference should be provided at the present time.

I should like to go further and say that this bill in the form in which it is presented, contains many of the things that I feel are necessary. Certainly we have undertaken to do many of these things through treasury board and by other means. However, as the mover pointed out, there are many purchases made under the $15,000 limit to which there is no positive direction given to those making the purchase on the 10 per cent preference that we feel is so necessary.

I can point out a specific example in my own constituency in which a great deal of reinforced steel is produced and sold to contractors in the Atlantic area. When I was first elected I immediately ran into the problem of European steel coming in and usurping a great deal of the market that had once been available to this firm that provided steady employment for over 100 of my constituents. This European steel was coming in and was being used in public works projects and in projects under contract to the Department of Transport. I learned of this situation and brought it to the attention of the departments. They acted quickly and saw to it that a 10 per cent preference was provided. In many instances I found this European steel was coming in at a price that even a 10 per cent preference could not look after. It could almost be said that it was being dumped in the country, having regard to the price being asked for it in comparison with the cost of production in Canada. However, I will say this. The departments of government acted quickly and efficiently, and today I am happy to report that on most of the contracts that are let in the Atlantic area Canadian materials are again being used. Certainly from an employment standpoint, from an income tax standpoint and in fact from every standpoint it is wise to use Canadian goods whenever possible.

I am certainly happy to support this bill and to support the recommendation that it be referred to the banking and commerce committee. Again I want to say how greatly shocked and alarmed I was to learn that the official opposition opposes this bill and opposes in principle the 20 per cent preference that is at present given to coal.

Mr. Habel: Never.

An hon. Member: You said it.

Mr. Coates: If this is their attitude when they are in opposition certainly the people of Nova Scotia can be well aware of what their attitude would be if they were ever in government again. We would be back to the sad old 22 years when we received nothing, nothing, nothing.

Mr. M. D. Morton (Davenport): Mr. Speaker, if there is a minute left, I should like to point out one thing in connection with this bill. Although the emphasis is on the matter of preference to Canadian goods, no matter how well we may deal with this preference and no matter how well we may phrase the language of this act, unless we do something with respect to the specifications that are submitted for the tenders, all our efforts will be to no avail. If these departments and the officials who are making up the specifications were more Canadian conscious and tried to specify Canadian goods, I feel we would have a preference for Canadians even without this act. However, I often get the impression, when we are finding out whether or not a Canadian firm is getting the work, that the specifications have required some item for which they must go to a United States firm in order to get it. That situation is prevalent in many of our departments. As far as this bill is concerned, my opinion is that if our officials were more Canadian conscious we would have less requirement for this bill. However, I think it is a good bill and I want to compliment the hon. member for bringing it before the house.

Some hon. Members: Question.

Some hon. Members: Six o'clock.

Mr. Speaker: It is now six o'clock by my clock and I note that it is some minutes past six o'clock by the one on the left. It must be the weather.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I have an indication of what the business will be on Tuesday and Wednesday?

Mr. Nowlan: I cannot go beyond Monday at the moment. As I told the house last night, on Monday there will be a motion to go into supply. It may be that the usual pattern will be followed and that this debate will go into Tuesday. At the moment I can only say that on Monday we shall be dealing with that matter. On Monday night I believe the house leader will be back and he undoubtedly will be able to inform the house what the business will be.

Mr. Chevrier: Can the acting house leader say what the business will be after the motion to go into supply has been disposed of?

Mr. Nowlan: I cannot give a definite commitment but I assume that it would be the conclusion of the debate on the setting up of the broadcasting committee and the setting up of the committee on railways, airlines and shipping. I shall have to consult with the house leader when he returns tomorrow.

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

HOUSE OF COMMONS

Monday, January 30, 1961

The house met at 2.30 p.m.

PRIVILEGE

MR. PICKERSGILL—CORRECTION OF REMARKS IN DEBATE ON JANUARY 27

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I rise on a question of privilege. I spoke too hastily on Friday last when I implied that under the previous government there had been no delays in holding by-elections which had the effect of depriving constituencies of representation for the whole of a session of parliament. I do not want to leave this misinformation uncorrected.

I find there were several cases both before the 1953 general election and the 1957 general election when by-elections were not called, apparently because it was common knowledge that a general election was approaching. But there were two other cases where there was no such extenuating circumstance. The Prime Minister reminded me that Brandon-Souris became vacant late in 1950 and the by-election was not held until June of 1951. That also happened in one of the seats in Queens, Prince Edward Island, at the same time. I doubt whether either of these precedents would commend itself to the government, since in both cases members of the opposition were elected and both members then elected are today ministers of the crown.

In expressing my regret to the house for having misinformed hon. members may I also thank the Prime Minister for the assurance that there will no longer be any similar delays in the calling of by-elections.

MRS. FAIRCLOUGH—CORRECTION OF PRESS REPORT OF SPEECH AT GUELPH, ONT.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I rise on a question of privilege with reference to a Canadian Press dispatch reporting an address I delivered to graduate students at the Ontario Agricultural College in Guelph last Friday night. In the first paragraph of this dispatch, which appeared in a number of morning and evening newspapers on Saturday, I am reported to have said that future immigration into Canada would be "limited to persons with a craft, skill or profession".

This paragraph, in which I was incorrectly reported, was subsequently corrected in two later Canadian Press leads, but unfortunately the original story received such widespread circulation that I feel it necessary to set the record straight. The text of my Guelph address is available to the public. I was speaking of the effects of the technological revolution on Canadian agriculture and industry. What I said was quite clear, and I quote:

> We certainly shall have to do everything within our power to make it clear to everyone, and especially to our young people, that there is going to be little room for the unskilled or the half-skilled worker in the world of tomorrow. It ought to be quite clear to everybody that employment opportunities—for native Canadians as well as immigrants—are going to be limited in future for people without some kind of trade, skill or profession.

There was nothing in my Guelph speech suggesting that immigration would be restricted to those with skills and trades.

DOMINION-PROVINCIAL CONFERENCE

ANNOUNCEMENT OF SUGGESTED DATES FOR RESUMPTION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to inform the house that I have written to the prime ministers of the provinces suggesting that the dominion-provincial conference on fiscal arrangements which adjourned late in October should be resumed. The dates I suggest for the resumption of the conference are February 23 and 24. If these dates are not convenient for a majority of the provincial premiers, then the meeting will be convened on March 23 and 24.

TRADE

RUSSIA—ANNOUNCEMENT OF SALE OF WHEAT

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I should like to make an announcement that has to do with a question asked by the hon. member for Acadia on January 24, 1961, and which can be found on page 1350 of *Hansard*. The question dealt with the sale of wheat to the U.S.S.R. and was answered by the Prime Minister as follows:

> Mr. Speaker, negotiations have been going on with representatives of the government of the U.S.S.R. I am hopeful that agreement will be arrived at in consequence of those negotiations for the sale of 150,000 tons of wheat.

At this time I should like to confirm to the house and announce that negotiations have been completed and 200,000 tons or approximately 7.3 million bushels of wheat have been sold to Russia.

LIBRARY OF PARLIAMENT

CONCURRENCE IN REPORT OF CIVIL SERVICE COMMISSION

Hon. Donald M. Fleming (Minister of Finance) moved:

That the report of the civil service commission concerning the position of library accountant, library of parliament, laid upon the table of the house, Thursday, January 26, 1961, be now approved.

Motion agreed to.

MOTIONS FOR PAPERS

FEDERAL PREVAILING RATE EMPLOYEES—CHECK OFF

Motion No. 37—**Mr. Pickersgill (for Mr. Martin, Essex East):**

For a copy of all correspondence, telegrams, and other documents exchanged between the Minister of Finance and the national council of the public service of Canada, on the subject of the check off of union dues for federal prevailing rate employees, since January 1, 1960.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, there are no correspondence, telegrams or documents within the terms of this motion, and even if there were there would no doubt be a question raised as to privilege. In view of the fact that there are none, no doubt the hon. member would be prepared to withdraw the motion on behalf of the hon. member for Essex East.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I will not ask you to put the motion, Mr. Speaker, and I will leave it to the hon. member for Essex East to decide the other question.

Motion stands.

MARKETING OF COARSE GRAINS—REPEAL OF PROVINCIAL LEGISLATION

Motion No. 40—**Mr. Argue:**

For a copy of all correspondence, telegrams, and other documents exchanged between the federal government, the Canadian wheat board, and any provincial government, since January 1, 1959, regarding the repeal of provincial legislation respecting the marketing of coarse grains.

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I think the government can accept this motion with the usual reservation with regard to the provinces. I should like to add this additional reservation with regard to the Canadian wheat board. If amongst these documents there appear to be any that affect the business operations of the wheat board that are not normally made public, I should like to reserve them. I do not believe there is any need for the reservation, and I think all documents will all be forthcoming.

Mr. Speaker: Subject to the reservation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

AGRICULTURE

FLOUR AND BUTTER—DISTRIBUTION OF SURPLUS TO UNEMPLOYED

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Agriculture. Would the minister care to comment on the press report that the government is giving consideration to the distribution of surplus flour and surplus butter to the unemployed of Canada as a relief measure?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, as I think hon. gentlemen are aware, this government is always on its toes when it comes to a question of looking after those in need. I may be able to confirm for the hon. member the fact that such a program has been considered for some time, but no announcement will be made until a decision is reached.

BUTTER—TELEVISION ANNOUNCEMENT BY MINISTER RESPECTING PRICE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Agriculture whether he could take the house into his confidence concerning the announcement he made on television yesterday about the price of butter?

Hon. Alvin Hamilton (Minister of Agriculture): I do not believe there is any secret about the fact we have been in consultation with various representatives of the farm industry such as the National Dairy Council of Canada, the Canadian dairy farmers and the Canadian Federation of Agriculture. We have had under discussion various proposals to meet this situation of a temporary surplus in butter. We are, quite candidly, exploring the field to ascertain if there cannot be a reduction in price to the consumer in order to bring back the flow of consumption and, at the same time, maintain the income level of the producers which has been built up over the last three years.

Mr. Pickersgill: Does the minister not think it would be advisable not to make suggestions that would affect the price of commodities until they become policy?

FARM MACHINERY—RESUMPTION OF COMMITTEE INQUIRY

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, may I direct a question to the Minister of Agriculture. In view of the national interest in the inquiry by the agriculture committee into the very high prices charged for farm machinery, could the minister say when his officials will be in a position to appear before the committee, and when this discussion may be resumed?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I can only speak for my officials. They will be ready at any time the committee is ready to hear them.

POLYMER CORPORATION

CAPITAL REQUIREMENT FOR SPECIALTY PLANT IN FRANCE

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Minister of Defence Production based on a press release of his department issued on Saturday announcing the formation of Polymer Corporation (SAF) for the purpose of constructing and operating a specialty rubber plant to be built at Le Wantzenau near Strasbourg, France. My question is this. Does the provision of the estimated capital requirement of $12 million referred to in that press release involve a supplementary budget to that tabled for the Polymer Corporation, or is the capital requirement being met by other means?

Hon. Raymond O'Hurley (Minister of Defence Production): The press release of Saturday night was issued to coincide with the announcement that was made in France by our ambassador, Mr. Dupuy, who was guest of honour at a luncheon attended by Dr. Rowzee, the president of Polymer, as well as Mr. Wilk and Mr. Fontaine of the Banque de Paris et des Pays-Bas.

In so far as the question asked by the hon. member for Ottawa West is concerned, there will be no supplementary budget for expenses of Polymer in this fiscal year.

Mr. McIlraith: May I ask a supplementary question, Mr. Speaker. Would the minister advise the house as to what changes, if any, have taken place with respect to the prospective sale of Polymer Corporation from the last announcement he made on August 4, 1960?

Mr. O'Hurley: I have no other declaration for the time being with regard to the disposal of Polymer. No decision has been reached, but we have decided to allow Polymer to go ahead with this expansion program to meet the demand for synthetic rubber in those places where it is needed, without diminishing in any way the production of synthetic rubber at Sarnia.

IMMIGRATION

BRITISH COLUMBIA—EMLOYMENT OF U.S. CITIZENS IN PIPE LINE CONSTRUCTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the parliamentary secretary to the Minister of Labour. Has the minister received any complaints with respect to the numbers of United States citizens admitted to Canada for employment in the construction of pipe lines in British Columbia? Has the minister also received any complaints with respect to the admission to Canada of United States citizens under what are considered to be false pretences (1) as landed immigrants; (2) as persons allowed to enter for special work because there is no one in Canada supposedly qualified to do this so-called special work? Have these complaints been investigated? If so, can the parliamentary secretary inform the house with what result?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, I shall be pleased to bring this question to the attention of the minister.

[*Later:*]

Mr. Herridge: Mr. Speaker, I wish to ask a question of the Minister of Citizenship and Immigration. I apologize for not sending her notice, but it has just come to mind.

In view of the fact that the member for Kootenay West on one occasion conducted a successful personal investigation into the validity of certain landed immigrants by proving that they were living in British Columbia and still using their visitors' licences on their cars, would the minister consider asking the R.C.M.P. to check on these people to see whether they are still indicating that they intend to return to the United States and are using the six months' visitors licence while they live in British Columbia?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I think on reflection the hon. member will realize that the matter of car registration is one for the provincial authorities.

(Translation):

CANADIAN NATIONAL RAILWAYS

OTTAWA—REQUIREMENTS OF CONCESSIONAIRE RESPECTING BILINGUAL EMPLOYEES

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, last Tuesday, the hon. member for Hull (Mr. Caron) put to me the following question:

Is the minister aware of the fact that a concessionary at the Ottawa railway station forbids his employees to speak French under penalty of losing their job?

I brought that matter to the knowledge of the Canadian National Railways authorities who inform me that inquiry was made of the concessionary at the Union station and that the latter told them that such instructions had not been issued.

I must add that according to the concessionary, most employees in the restaurant and the newspaper stand are bilingual and no trouble was ever experienced in that regard.

[*Later:*]

Mr. Alexis Caron (Hull): Mr. Speaker, I should like to put a supplementary question to the Minister of Transport. Could he tell me whether the inquiry was made of the employees as well as of the employers, because I have been advised since, that the same person had even refused to display certain French papers?

(Text):

Mr. Speaker: If the hon. member who asked the question is taking responsibility for the statement it would be proper, I should think, to pursue it, but the answer that has been received was in response to a similar question and was quite definite.

Mr. Caron: I am taking responsibility for what I am saying because of the answer to the question I asked the other day. I think the inquiry has not been completed.

(Translation):

Mr. Balcer: Mr. Speaker, as far as I am concerned, the Canadian National authorities have made an investigation following the question asked by my hon. friend. I had requested an inquiry and I have just read the short report received on this subject.

Of course, I have not made this investigation myself since it is not for me to do it. My job is to transmit them the various questions asked in this house.

Mr. Caron: Another supplementary question, Mr. Speaker. I do not want to blame the minister, but could he not ask for a more thorough inquiry to be conducted among the employees?

Mr. Balcer: Certainly, Mr. Speaker.

[Mrs. Fairclough.]

(Text):

TRADE

REPORTED U.S. COMMITTEE RECOMMENDATION FOR REDUCED TARIFFS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to address a question to the Prime Minister. Has the Prime Minister seen the dispatch by the Ottawa correspondent of the Regina *Leader-Post* which quotes a new report by a United States Senate committee under the chairmanship of Democratic Senator Magnuson recommending that the United States reduce international trade barriers, and recommending also an extension of tariff negotiating authority to the president, with a provision permitting across the board reductions? If so, does the Prime Minister stand ready to participate in any such negotiations and reductions?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the particular news item has not been brought to my attention. I do not want to enter into a discussion of a conjectural article.

TRANSPORT

KETTLE VALLEY RAILWAY—SUGGESTED USE OF RIGHT OF WAY

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): I should like very much to make this inquiry of the Minister of Public Works, in view of the fact that the C.P.R. is planning to permanently abandon the Kettle Valley railway from Brodie to Hope, British Columbia, a distance of 50 miles. If permission to do this is granted, would it be possible for this government to turn this right of way, which I believe has been subsidized federally, into a highway making a fifth route through the Coast range to the glorious Fraser valley?

Mr. Speaker: Order. Before the minister replies may I say this. I think the hon. member who raised the matter indicated that it was a hypothetical question, because he prefaced it by the words "if permission is granted". It seems to me it will be time enough to inquire if and when it has been settled that there will be an abandonment.

TRANS-CANADA AIR LINES

PRAIRIE PROVINCES—INQUIRY AS TO INTERCITY SERVICE

On the orders of the day:

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, with your permission I would like to direct a question to the Minister of Transport. The minister is aware of the growing

concern in various prairie centres, of which, of course, Medicine Hat is one of the more important, respecting the future of the so-called "milk run" of Trans-Canada Air Lines.

My question is, will the minister give the members of this house from the west his assurance that no steps will be taken leading to any deterioration of the present intercity service before full representations from the newly formed prairie region air committee and other interested organizations in Alberta, Saskatchewan and Manitoba have been heard and studied by him?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, both my predecessor and I have indicated on a number of occasions that full and careful study will be given to the question of the future of what is known as the T.C.A. prairie milk run. This problem has arisen because of T.C.A. plans for elimination of all D.C.3's from its fleet and the high cost of construction of the secondary prairie airports to Viscount standards, as compared with a relatively low traffic volume on the route.

T.C.A. has been asked to review this problem and report to me on it, and I can give the assurance that this report, when received, will be the subject of very careful consideration by the air transport board, the Department of Transport and myself in accordance with the provisions of the Aeronautics Act, and that any representations received will be carefully studied. If it appears necessary and desirable in dealing with the case, a public hearing may be decided upon.

COMBINES

BRITISH-COLUMBIA—REPORTED USE OF EGGS AS LOSS LEADER

On the orders of the day:

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, on January 25 the hon. member for Kootenay West asked me a question, as reported at pages 1398 and 1399 of *Hansard*, about the use of eggs as loss leaders in British Columbia.

I would like to inform the house that there have been no complaints in this regard brought to my attention, and if the hon. member has any evidence indicating an offence under the Combines Investigation Act, if he will bring it to the attention of the director of investigation and research the director will consider it carefully to determine whether an inquiry is warranted.

SUPPLY

Hon. Donald M. Fleming (Minister of Finance) moved that the house go into committee of supply.

DOMINION-PROVINCIAL RELATIONS—TAX SHARING ARRANGEMENTS

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, it would be entertaining and amusing, if it were not so serious, to study in detail the extent to which the Prime Minister and the members of the government have gone to make the people of Canada believe that the Conservatives are whistling the same tune today that they whistled so melodiously in 1957. One can barely recall—the picture is fading very rapidly—the self-assurance and even the overconfidence of the Prime Minister when he marched across the country all but submerged in the solutions he professed to have to all the problems, national and international. Among other things he led Canadians to believe that he had found the formula to increase social legislation, reduce taxes and balance the budget. Of course no one would suffer from unemployment, not while the Prime Minister was administering the affairs of Canada.

His predictions also contained a very vivid description of the Conservative vision of utopian Canada where full employment would be the order of the day, where our economy would be stabilized and tight money unheard of, where our national defence would be adequately provided for and our trade deficits would be brought into balance. This was the type of tune whistled in 1957 by the Conservatives.

The tune began to change immediately on their taking office. Instead of the self-assured, confident Billy Graham the Canadians had listened to, the Canadian people found that they had elected a very surprised Prime Minister leading an unprepared and bewildered government in the uncompromising intricacies of government administration without any notion whatever as to how they were going to implement any of the promises they had made, let alone how they were going to achieve anything remotely resembling the utopian vision of Canada under a Conservative administration.

The government's first tactic was then to appear to be busy and to be accomplishing things, and a great deal of publicity was given to the Prime Minister's travels abroad and around the world; and the government's statement with respect to a 15 per cent diversion of trade from the United States to the United Kingdom was made on the basis of sensationalism rather than on the basis of the wisdom and soundness of the action involved.

The description by the Minister of Finance of the commonwealth trade conference, which he claimed was a colossal success, can be justified only in terms of propaganda, because that particular trade conference will forever

haunt the minister for having refused to accept the offer of a reciprocal free trade area with the United Kingdom. Smoke screen propaganda was the first Conservative tactic employed to camouflage the government's lack of over-all policies.

Then the government resorted to the inheritance tactic, by which means it sought to justify its inaction on the ground that it had inherited its administrative problems from the previous Liberal government, conveniently forgetting, of course, that these were the very problems the Conservatives in 1957 promised to solve.

Next the government tried the naive approach, the "what recession?" and the "what unemployment problem?" approach. When the opposition pointed out the very real dangers to our economy of an ever-increasing number of unemployed the government immediately turned to the "prophets of doom and gloom" and "selling Canada short" tactics. Whenever I hear hon. members opposite criticizing the Liberal opposition and accusing them of undermining the people's confidence in Canada because we dare criticize the government's inaction and lack of policies, I cannot help but recall a certain premier of Quebec who finally convinced himself that he was the province of Quebec. Surely the Prime Minister and members of the government, after so short a term in office, do not now already identify themselves with Canada. Surely the Prime Minister and the members of the government know and understand that Canadians can have—and indeed a number of Canadians do have—a considerable amount of confidence in Canada but no confidence in the government.

The current tactic, of course, is particularly interesting because it is so revealing. It is not as cunning or as imaginative as the other tactics. It is a tactic in which are employed expression of confusion, bewilderment, and exasperation. Perhaps it could be characterized as the "what would you do?" tactic. This tactic, of course, is already burnt out because on all the national urgent problems the Liberal opposition has stated what it would do, to the great discomfort of the government.

Some hon. Members: Oh, oh.

Mr. Cardin: Of course, Mr. Speaker, hon. members opposite do not have any intention of taking up these suggestions. They prefer to ignore them. However, if the Conservatives really want to find out what the Liberals would do, let the government call an election and we shall be happy to show them.

Some hon. Members: Oh, oh.

Mr. Cardin: Many people unfortunately not only consider as smart politics the tactics I have just described, but unfortunately they accept these practices as normal political procedure. I believe—and I feel very strongly about this—that there is no surer way of undermining and indeed destroying the people's confidence in our political system and in our democratic form of government than by the use by a political party, whatever its denomination, of tactics whose aim is primarily to enhance and preserve its political prestige but whose consequences are to mislead and confuse the public on vital urgent national issues so that objective analysis of the problem becomes impossible. Extremely urgent fundamental problems become insoluble simply because the effective solutions might prove unpopular to one or more classes of our social structure; and so as not to jeopardize its popularity, the party merely ignores the solution and jeopardizes the economy instead. Such tactics are not only small politics but are an indescribable injustice to the people who have not only a right but a responsibility to be aware of, to understand and to judge national problems as they really are and not as one political party would like to pretend they are.

The greatest proof that such tactics are not to be taken for smart politics is that in spite of the torrent of words the members of the government have uttered in implementing their successive strategies, none of the urgent problems have been solved and some indeed have become more serious.

Of all the problems facing the government which have not yet been solved I doubt if there is a more fundamental, important, complex or urgent one than that of federal-provincial relations and federal tax-sharing, arrangements.

Some hon. Members: Oh, oh.

Mr. Cardin: I hope that hon. members opposite are not laughing at the problems involved in federal-provincial relations.

Mr. Fleming (Eglinton): We are laughing at the hon. member.

Mr. Cardin: Apparently the proposals made by the Prime Minister in October can be described as laughing at the problems involved in provincial-federal relations. The federal-provincial tax-sharing agreement criticized so violently by the Conservatives expires in March of 1962, and new fiscal arrangements will have to be provided during this session of parliament as announced in the speech from the throne. Perhaps it might be very timely now to examine a statement made by the Prime Minister in 1957, as reported by the Canadian Press on April 26 of that year:

Mr. Diefenbaker pledged to work out new tax-sharing arrangements with the provinces which

would strengthen Canada's federal system and give provinces and municipalities the funds to carry their responsibilities.

He said:

> A Conservative government, if elected, would immediately call a federal-provincial conference to settle existing problems. The federal system was threatened by "the centralization complex of the St. Laurent government" and a healthy balance of revenues between federal and provincial governments must be assured.

Surely, Mr. Speaker, the Prime Minister does not dare to claim that so far he has fulfilled that promise. And how can the Prime Minister now condone and accept, as he is doing, the Liberal principles and the basis on which fiscal arrangements with the provinces were achieved if indeed they were a threat to the federal system, as he claimed they were in 1957? And if they are not a threat, on what grounds can the Prime Minister justify so insidious an accusation on a matter as fundamentally important as federal-provincial relations, an accusation which in fact did undermine the people's confidence in our federal system.

There have been few issues indeed that have been given the Conservative political football treatment more mercilessly than the fundamental and extremely difficult problem of federal-provincial relations. This may gain votes for the Conservative party, but it has not only confused the thinking of Canadians but has made an already difficult problem almost incomprehensible and retarded and jeopardized the progress that has been made so far toward an equitable solution to this extremely urgent problem.

It is only now that Canadians realize that the Conservative accusations were unfounded and unjustified, and that the present fiscal arrangements with the provinces, though admittedly not an ideal solution, were in fact a serious and sound approach to the problem. The government, instead of rejecting the substance of the fiscal arrangements which they criticized so violently, are now speaking of the difficulties and the problems involved which make any alternative solution to those arrangements extremely difficult. The Conservatives, of course, did not speak of those problems nor those difficulties when they were discussing federal-provincial relations in 1957. At that time they were merely content to confuse the issue.

Federal-provincial relations did not arise only with the Rowell-Sirois report of 1940; they were born with confederation. The provinces at that time saw the advantages to be derived by them in a federal system, and it is impossible to conceive that the fundamental principle of confederation could have been based on anything else than on co-operation and understanding between the autonomous provinces and the federal government. I maintain, Mr. Speaker, that at no time has that principle ever been broken, and that tax-sharing arrangements have indeed been an application of that principle.

The exigencies of the war, the demand and urgent need for social legislation, the disparity in the financial resources of the different provinces, the justifiable desire to achieve uniformity in social aid, in the standards of living and in national unity, coupled with the increasing financial demands made within the rapidly expanding provinces and municipalities, presented problems which the fathers of confederation could never have dreamed of and for which they did not adequately provide in the constitution or in the methods of taxation made available to the provinces and to the federal government.

The urgency of the problems, both provincial and federal, and the fact that no clear-cut solution to these problems could be found within the framework of the constitution, made it necessary to resort to the principle of co-operation between the federal government and the provinces to find some alternative solution. That alternative solution was found, Mr. Speaker, when Right Hon. Mr. St. Laurent introduced the tax-sharing arrangements which were so violently criticized by the Conservatives.

It would be useful, I think, to review the provisions of those tax-sharing agreements which, in 1957, the Prime Minister felt were a threat to the federal system. Hon. members will recall that under these agreements, first of all, the provinces were completely free to rent their rights to direct taxation or to levy their own direct taxes and have them collected by the federal government, or, third, to levy and collect their direct taxes without interference.

Second, by this agreement the provinces were enabled to derive more than 20 per cent of urgently needed additional revenues during the first years of the new arrangements as compared with the previous years without imposing double taxation and this percentage, of course, increased substantially in succeeding years.

Third, equalization payments based on the tax yield of the two wealthiest provinces were provided to enable the less wealthy provinces to face their constitutional responsibilities. Such an interprovincial redistribution of revenue, as I said before, is essential to preserve a proper balance within our federal system.

Finally, stabilization payments were offered to the provinces as a guarantee against any

material decline in revenues from the direct tax field that could result from a prolonged recession.

These 1957 fiscal arrangements, Mr. Speaker, were financially advantageous to the provinces. They completely respected the constitutional rights of the provinces and provided to them, especially to the less wealthy provinces, substantially more revenue without double taxation. We do not claim, nor did Right Hon. Mr. St. Laurent ever claim, that these arrangements were the ideal, the complete or the final solution of the federal-provincial problems. But, Mr. Speaker, they did permit both the federal government and the provinces to hurdle what could have become economic and financial disasters in either or both levels of government. And this was done without any of the provinces losing one iota of their sovereignty or autonomy.

It was within the responsibility and the prerogative of the federal government, with the co-operation and authorization of the provinces, to provide the much needed social measures on a uniform basis throughout the country at a time when the economy of most of the provinces could not afford the expenses involved. It has always been the accepted role of the federal government to supply public services which could not be supplied by other levels of government or by private enterprise; but, Mr. Speaker, if the provinces feel they are now ready to assume the responsibility of implementing some of the social measures presenty carried out by the federal government and can guarantee that these measures will continue to be uniform to Canadians in all provinces, then a redistribution of responsibilities as well as of taxes could be considered as the basis of new tax agreements. But the problem has always been whether the provinces could or would add additional responsibilities to their problems of rapid expansion, and whether some uniformity of social legislation would be maintained in all provinces.

A Liberal government, Mr. Speaker, would not object to withdrawing from joint federal-provincial schemes which are now firmly established in the provinces and which the provinces felt they could administer themselves, such as was suggested by the premier of Quebec to the conference in July. To my mind it is part of the federal government's role to co-operate with the provinces in implementing needed legislation and to withdraw when the provinces feel they can carry on alone, but it will be noted that this is the first time a provincial premier has formally expressed his willingness to assume additional financial responsibilities in compensation for additional revenues, and this may well be the key that might open the door to better federal-provincial relations.

In 1957 the Prime Minister waxed eloquent on the supposedly arrogant attitude of the Liberal government in its dealings with the provinces. In his opening campaign speech in Massey hall, Toronto, on April 25, 1957 he said:

> We intend to form a government to immediately convene a dominion-provincial conference to bring about a settlement of these problems, not in the spirit of arrogant domination as displayed by the present government but in the spirit of unity and amity and with mutual tolerance and respect.

He repeated this statement from coast to coast. We shall see, Mr. Speaker, whether the Prime Minister really kept his promises. After the 1957 election a federal-provincial conference was held but was reluctantly convened. It was not convened immediately but in November, 1957. The purpose of the conference was not to bring about a statement of the problem but to get to know one another, and fiscal arrangements were hardly discussed at that particular conference.

Second, it had been agreed at the November conference that there would be a further conference held in the early part of 1958; but the government, in a spirit of amity and tolerance but without consulting the provinces, replaced the conference by a telegram sent to all the provinces containing erroneous calculations made not by the Department of Finance but by Mr. George Gathercole, a top civil servant of the Ontario government.

Third, the Minister of Finance in his brisk and supposedly efficient manner set up a committee on finance consisting of the Minister of Finance and the provincial treasurers to reconsider fiscal problems, and more particularly to consider the request made by the provinces to have the 1957 arrangements revised. The committee met in July and in October of 1959. At this last meeting the Minister of Finance, ignoring the insistent request of the provinces and ignoring the Conservative promises of 1957, amicably announced that the tax-sharing arrangements would not be modified.

Mr. Fleming (Eglinton): Would not be what?

Mr. Cardin: Modified. Fourth, in July, 1960 a new federal-provincial conference was called to negotiate new tax-sharing arrangements which were to become effective in April, 1962, and at that meeting the provinces made several concrete proposals. For the first time at such a conference the province of Quebec, which by the way since June 22 last has finally returned to confederation, through its new premier, Mr. Lesage, put forward an over-all and concrete plan which received

widespread approval from the other provinces. The federal government, however, apparently came to the conference unprepared. It had no proposals to make of its own and, indeed, had no comments to make on the proposals made by the provinces except to say, in a spirit of amity and tolerance, that the premiers' proposals were irresponsible.

Fifth, as hon. members recall, all the federal-provincial conferences began by a public meeting at which the Prime Minister and the premiers made public statements in order to clarify their proposals and their points of view, and after that was done the meetings continued in camera. In October, 1960 the provincial premiers came with prepared statements that they expected to make at the beginning of the conference, but the Prime Minister decided unilaterally that this conference would be held in camera.

Mr. Diefenbaker: Mr. Speaker, that statement is completely incorrect and I cannot allow it to go unchallenged. I am not concerned about the general statement that has been made so far, but that statement is incorrect. This was an adjournment of the July session. At the July session opening statements were made and there was no objection raised; it was generally agreed that the proper course was to continue as we did in October, that being the resumption of the adjourned July conference.

Mr. Cardin: On that very point, it was the custom at all conferences—

Mr. Diefenbaker: No.

Mr. Cardin: —for public statements to be made at the beginning. In 1955 there was also a conference in July which was adjourned and reconvened later in the autumn, and at that time public statements were also made by the then prime minister and the premiers of the provinces. I am glad to see that the Prime Minister corrected himself. He started out to say that there had been no objection to having the October conference meet in camera, and he corrected himself by saying that there was general agreement. There had been objections made to holding that particular meeting in camera.

Mr. Diefenbaker: By whom?

Mr. Cardin: The Prime Minister should know that, of course.

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): On a point of order, reference has been made by the hon. member to the fact that the conference proceeded in camera. He is undertaking to make statements as to what occurred in proceedings conducted in camera. Under those circumstances I think he owes it to the house to tell the house the source of his information. If I correctly apprehend the position of the hon. member, he has had no direct access to information of this kind, and if he is undertaking to make statements, particularly statements that have been challenged by the Prime Minister, who was at the conference, I think he should tell us the source of his information; because it cannot be anything more than hearsay he is bandying around.

Mr. Speaker: I disagree with the Minister of Finance that that is a point of order. In accordance with our practice the hon. member who has the floor must, of course, accept the statement of the Prime Minister that he did not decide in advance that the meeting was to be held in camera. That closes that matter. However, in proceeding to discuss what happened at a meeting which was held in camera there is no obligation that I know of to disclose the source of his information. After all, there were a good many people present at the conference, and there will be an opportunity to reply.

Mr. Walker: Mr. Speaker, it might be that the hon. member is reading from the fables of Lamontagne.

Mr. Cardin: I do not need Lamontagne, the Minister of Public Works (Mr. Walker) or anybody else to tell me what I should say. In accordance with the Prime Minister's intervention a little while ago, let us say there was not unanimous disapproval. Let us say that there was some disagreement with respect to whether or not the meeting should be held in camera. I know for a fact that objections were raised; nevertheless the meeting was held in camera.

So the Prime Minister proceeded in camera, no doubt in a spirit of co-operation, to make known his proposals which he was very sure he wanted to put forward only as suggestions. The premiers decided at that time, of course, that they would want an adjournment until 2.30 to consider the proposals made by the Prime Minister. However, immediately after adjournment of the morning session of the conference and before the premiers had time to study the proposals made by the Prime Minister and to prepare their comments, the Prime Minister issued to the press the proposals he had made in a meeting which, at his own insistence, had been held in camera, leaving the premiers of the provinces obliged to comment publicly on the proposals without having had time to study them. For the Prime Minister, all is vanity and publicity.

Mr. Fleming (Eglinton): All is rot that you are talking about right now.

Mr. Cardin: You will have an opportunity to debate the question. Surely the Prime Minister is not serious when he claims to have carried out his formal pledge to bring about a settlement of federal-provincial relations, not in a spirit of arrogant domination but in a spirit of unity, amity and with mutual tolerance and respect, when his inaction and his attitude under the circumstances can be described not only as arrogant but as downright insulting to the provinces. But perhaps the greatest breach of the Prime Minister's pledge to settle the problem of federal-provincial relations, and indeed the greatest insult to the provinces, is that the government, in spite of its promises, has evidently after three and a half years not taken the trouble to analyse, study and understand the problems involved in the field of federal-provincial relations. A review of the government's statements at each of the federal-provincial conferences indicates clearly that the government has no over-all plan to solve this problem, and is indeed completely unprepared to negotiate with the provinces.

I would strongly advise the government, Mr. Speaker, not to try to tackle the problem of federal-provincial relations with an ill thought out and off the cuff solution such as the suggestion the Prime Minister made to the provinces at the conference in October. If the government imposes on the provinces the proposal he made at that time they will not only repudiate the magnanimous attitude the Prime Minister displayed in 1957, but they will destroy the basic principles upon which better and sounder federal-provincial relations can be continued.

At a press conference in Winnipeg on May 14, 1957, as reported in the Winnipeg *Free Press* of that date, the present Prime Minister stated:

> The first thing a Conservative government would do, he said, would be to call a federal-provincial conference which would be held 'in the spirit of confederation' to arrive at a tax rental formula 'more in keeping with the needs of the provinces and municipalities'.
>
> Under recent tax agreements, he said, the provinces have been forced to a 'starved condition'. Municipalities have been placed in a position where property owners are saddled with heavy burden of taxation.
>
> He charged that continued centralization of taxation by the federal government was leaving the municipalities as 'the forgotten people'.
>
> Present tax relations, Mr. Diefenbaker maintained, are a 'haphazard outgrowth' of wartime agreements which don't meet the problems of Canada today. The federal government offered 'cut and dried' plans which the provinces had to accept.
>
> Under a Conservative government, he said, the provinces would have a voice in deciding fiscal terms and the tax agreements would contribute to national unity.

[Mr. Fleming (Eglinton).]

These indeed, Mr. Speaker, are noble words and noble sentiments, but it is most unfortunate that none of these noble sentiments have been reflected in the least in the proposals the Prime Minister made to the provinces last October. The proposals the Prime Minister made to the provinces in October contain these features:

1. The federal tax rates in the three shared tax fields would be reduced by the amount of the present standard rates, that is 14, 9 and 50. This proposal has two implications. First, the federal government is not prepared to vacate any additional field of direct taxation in order to enable the provinces to get more revenues from direct taxes without adding to the over-all tax burden. Second, all the provinces will have to levy and collect their direct taxes, as some of them are doing now under the provisions of the present arrangements. The provinces will not be able to make tax rental or tax collection agreements with the federal government as they do now. This would mean that all Canadian taxpayers would have to file two income tax returns, and it would also mean additional costs to the provinces for the collection of taxes.

2. Federal subsidies, fixed at $220 million per year, would be distributed amongst the provinces to take the place of the present equalization payments, the Atlantic provinces adjustment grants and the special grants to Newfoundland under section 2 of the Newfoundland Additional Grants Act. A new but unspecified formula of distribution of those grants would replace the present one which is based on the average yield of standard direct tax rates in the top two provinces. This represents, in my opinion, a clear repudiation of the equalization principle which the Prime Minister had promised in July to maintain. I shall return to that point later.

3. Stabilization payments would be based on the yield of the standard taxes in the last two years of the current arrangements, that is in 1960-61 and 1961-62. At present those payments are determined on a moving basis and are based for any one year on tax yields of the two previous years. The change proposed by the federal government means, for all practical purposes, the abandonment of the stabilization principle unless we experience an acute depression in Canada during the next few years.

4. Reciprocal application of sales and commodity taxes to federal and provincial crown agencies would be provided, but no material changes are proposed with respect to conditional grant and shared cost arrangements.

5. The use of sales taxes at the retail level by the provinces would be confirmed through

an amendment to the British North America Act. Such a proposal, Mr. Speaker, has very little significance in terms of additional provincial revenues, since all provinces can even now levy such taxes. As a matter of fact seven provinces already do so.

There is, however, one redeeming feature of the Prime Minister's proposals, Mr. Speaker. It is that the federal government has succeeded finally in creating unanimity amongst the provinces. They were unanimously and vehemently against the federal proposals. The Toronto *Star* of October 27 gave a very succinct and very accurate description of the feeling of the 10 premiers. The headline reads "10 Premiers Turn Thumbs Down on P.M. Offer". In commenting on the proposals this is what the different premiers had to say:

Robichaud, New Brunswick: Preposterous.
Stanfield, Nova Scotia: No better off.
Roblin, Manitoba: No good.
Smallwood, Newfoundland: Disillusioned.
Frost, Ontario: Meaningless.
Bennett, British Columbia: Unrealistic.
Shaw, Prince Edward Island: Not in favour.
Douglas, Saskatchewan: Retrograde.
Manning, Alberta: Deceptive.
Lesage, Quebec: Unacceptable.

Mr. Fleming (Eglinton): Will the hon. member permit a question? Upon what authority does he, as one who did not attend the conference which proceeded in camera, undertake to say that these statements appearing in the Toronto *Daily Star* are accurate and were made at that conference?

Mr. Denis: Why don't you deny them yourself?

Mr. Cardin: Suppose we put it the other way. Is the Minister of Finance ready to deny what I have just put forward?

Mr. Speaker: Order. Unless it is the hon. member's intention to move an amendment, which he has not yet indicated, I shall have to tell him shortly that his time has expired. In other words, the hon. member has unlimited time only if he is moving an amendment, but he has said nothing about an amendment as yet.

Mr. Cardin: I do intend to move an amendment. I am sorry I did not do so sooner.

What happened to the solution the Prime Minister claimed in 1957 would be made in a spirit of amity and mutual respect. The Conservatives also accused the former Liberal administration of adopting a take it or leave it attitude. This government apparently is not even that generous, because it is adopting a leave it attitude; there is nothing the provinces can take in the federal proposals.

In 1957 the Conservatives, especially those who were following Mr. Duplessis in Quebec, criticized the Liberal government for taking too large a share of the joint field of direct taxes, thus forcing the provinces into a starved condition. What has this government done, Mr. Speaker? In 1958 the present government increased the provincial share of personal income tax by 3 per cent of the federal rate. But in 1959 the federal government increased its own share of the corporate income tax by an additional 3 per cent tax on profits. I should like to emphasize this point, that the federal share of the joint field of direct taxes is higher in 1960-61 than it would have been in 1957-58 under the provisions of Mr. Harris' budgetary proposals.

Moreover, the present government does not propose to vacate the field of direct taxation any further during the next five years. It has pushed its tax rates as high as it can and now refuses to provide any additional leeway in order to enable the provinces to exercise their rights without adding to an already heavy tax burden. In fact this government asserts that its fiscal needs have a priority over provincial financial requirements.

This refusal to provide additional room for provincial taxes must be related to equalization in order to understand fully what it means to the provinces. As I said before, the federal government, in spite of the firm commitment made by the Prime Minister in July, 1960, now proposes to abandon the principle of equalization and to distribute an unvarying amount of money each year to the provinces. This proposal, Mr. Speaker, I submit is most unfair to most provinces.

This proposal means that the few rich provinces having high tax yields will continue, as at present, to benefit from those increasing yields, but the other provinces will not be able to share further in the country's prosperity. In other words, all provinces except one will be worse off under the new proposal than they would be if the existing arrangements had been simply continued. An undesirable but increasing differential in per capita tax revenue will develop among provinces, and this differential is likely to increase rapidly for another reason. The provinces have been told by the federal government to increase their own direct tax rates if they want more revenues. This procedure might be a possible solution for those few provinces which have a high tax potential, but it will not be possible for most provinces.

We all know, of course, that direct tax yields, and especially the per capita yields from corporate income tax, vary from one province to another. This fact is clearly shown in a table presented by the Minister of Finance last year, which table appears at page

2230 of *Hansard* of that year. This table indicates that corporate income tax of 1 per cent would yield per capita in the current fiscal year $2.64 in Ontario, $2.18 in British Columbia, $2.05 in Alberta, $1.97 in Quebec, $1.56 in Manitoba, $1.13 in Saskatchewan, $1.02 in Nova Scotia, 88 cents in New Brunswick, 79 cents in Newfoundland and 54 cents in Prince Edward Island.

As we can see, the per capita yield of such a tax in Prince Edward Island is only 20 per cent of what it is in Ontario. On the basis of a 1 per cent corporation income tax, without equalization, Quebec, for instance, would lose almost $3½ million in revenue as compared with Ontario. In order to get the same per capita revenue that Ontario receives from a 1 per cent corporate income tax, Prince Edward Island would have to levy a tax of 5 per cent and Newfoundland would have to impose a tax of 3⅓ per cent. This comparison indicates how inequitable the federal proposal is when it requires the provinces from now on to finance any addition to their services from their own taxes, without equalization.

For certain provinces, at least, the constitutional power of direct taxation is almost only theoretical; in practice it cannot be used to provide adequate provincial revenues. What will happen, Mr. Speaker, in those provinces as provincial financial requirements increase, under the Conservative proposal which would force the provinces to increase their own taxes without equalization? Those provinces would have to impose prohibitive rates of taxes, or refuse needed improvements in provincial services, or ask the federal government to take over their constitutional responsibilities. None of those solutions is compatible with fairness and the proper balance of our federal system.

In summary, the federal government tells the provinces "We will freeze and maintain the benefits you receive under the tax-sharing arrangements negotiated by the Liberals, but you will not get anything more in the future from a Conservative government". As the Leader of the Opposition stated in Sussex on October 29, by driving the provinces back into double taxation and by refusing to apply in the future the principles of equalization and stabilization, the present government is proposing to undo the progress made in federal-provincial fiscal relations and to return the provinces to the financial strait jacket they were in during the days of R. B. Bennett. From now on, as in the early thirties, all the provinces will be left alone to face their increasing financial responsibilities. This situation is exactly what produced so much inequality among the provinces in the early thirties and caused the acute crisis of our federal system which was so vividly described in the report of the Rowell-Sirois commission in 1940.

The Liberal party is strongly opposed to the proposal made by the government to the provinces last October. We believe that the basic features of the existing tax-sharing arrangements should be maintained. We also believe that they can be improved in certain respects not by going backward, as the government proposes to do, but by moving forward.

Without going into the details of this complex question, may I say that the general attitude of the Liberal party in this field can be summarized by the following propositions:

1. We believe in regular consultation with the provinces in order to ensure that priorities in the use of taxes are kept constantly in line with changing conditions and in order to ensure that the provincial governments have adequate revenues with which to provide for their citizens and adequate standard of services and to perform their constitutional obligations. Another important new area for co-operation is in the borrowing operations of municipal, provincial and federal authorities. More regular consultation and closer co-operation require the creation of a permanent federal-provincial secretariat.

2. We believe that the principle of equalization should be strengthened instead of being abandoned, and that all provinces should receive the same revenue, per head of population, from the direct taxes shared with the federal government. In this way Canadians everywhere would receive an equal share of tax revenues derived from national economic activities and all provinces would be in a better position to face by themselves their constitutional responsibilities.

3. The principle of stabilization should also be retained and strengthened. Tax revenues fall off if we encounter a serious recession, but there is no lessening of the need for roads, schools and other services provided by the provinces and the municipalities. Stabilization payments in any given year should be related to the revenues of the previous year.

4. We believe that the permanent programs which had to be started on a shared cost basis by federal and provincial governments and which are now firmly established throughout Canada should be left entirely to the provinces, and that the federal government should evolve appropriate readjustments in its taxes so as to provide for full provincial financing of those programs.

5. Finally, we believe that adjustment grants should be available on a basis of a formula

which could be applied to any part of the country, for any province in special fiscal need.

Those, Mr. Speaker, are some of the proposals that we feel should be offered to the provinces and be embodied in the new tax-sharing arrangements. We also believe that current negotiations so far have made little or no progress. We were very happy to hear the Prime Minister announce a federal-provincial meeting for March 23 or 24. Indeed, we are very happy to welcome that announcement. However, I cannot help but state that it is rather confusing that the Prime Minister should make that announcement today about holding a federal-provincial conference in March, when only last Friday, in answer to a question from someone on this side of the house, the Minister of Finance claimed that there would be no convening of the federal-provincial conference in the next two months.

Mr. Fleming (Eglinton): On a question of privilege, Mr. Speaker, I defy the hon. member to read what I actually did say; not this most misleading paraphrase, but to read what I did say.

Mr. Speaker: The minister is quite within his rights to ask for correction if misquoted and the hon. member yields the floor.

Mr. Cardin: I did not have the statement in my hand, and I want to thank the hon. member for Bonavista-Twillingate for giving it to me. I do recall what was said, and to make the Minister of Finance happy I will read what is in *Hansard*. This is reported at page 1476 of *Hansard*:

> Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to ask the Minister of Finance whether any changes whatever are in contemplation with respect to the tax-sharing arrangements with the provinces for the fiscal year 1961-62.

Mr. Fleming (Eglinton): You are in the wrong column.

Mr. Cardin: I know.

Mr. Pickersgill: You admit he is right, do you?

Mr. Cardin: I did not want to read the whole thing, but the question from the hon. member for Assiniboia (Mr. Argue) was this:

> Mr. Speaker, I wonder whether the minister can inform the house whether a date has been set for a federal-provincial conference involving the provincial premiers in order to deal with fiscal matters?
>
> Mr. Fleming (Eglinton): No, Mr. Speaker.
>
> Mr. Argue: Can the minister say whether a conference will be held within the next month or two?
>
> Mr. Fleming (Eglinton): I would not expect one would be held within the next short period.

An hon. Member: That puts the record straight.

An hon. Member: Withdraw.

Mr. Cardin: The Minister of Finance makes many interventions and pretends with a very strong voice to be always correct and not to be wrong.

Mr. Pickersgill: It is crystal clear, as usual.

An hon. Member: Keep on reading.

Mr. Hamilton (Notre Dame de Grace): You must be pretty bad when the hon. member for Bonavista-Twillingate cannot help you.

Mr. Cardin: Since 1957 the provinces have presented their concrete views on several occasions, particularly in July, 1960; but in October the federal government acted like a very bad employer who proposes a reduction in wages in order to counteract demands from his employees for better remuneration. What is needed now are genuine negotiations, conducted, as the Prime Minister so eloquently promised in 1957, "in a spirit of unity, amity and with mutual tolerance and respect". Mere exchanges of views, either through telegrams or letters, are no longer sufficient.

We on this side of the house sincerely hope that the government at such a conference will revise its October proposal in several respects, but more particularly with regard to equalization. The government must recognize that, according to its October proposal, although the present equalization payments would be continued, possibly with a new formula, the principle of equalization itself would cease to apply in future. This becomes clear when we realize that according to the federal proposal, equalization payments would remain fixed and become a form of subsidy, irrespective of future changes in the standard tax rates or in the yield of such rates.

This is a direct repudiation of the equalization principle and is a repudiation of a firm commitment made by the Prime Minister to the provinces at the July conference. Here is what he said then, and this is at page 10 of the proceedings:

> I want to make this abundantly clear on behalf of the dominion government, that whatever the ultimate decision may be the principle of equalization must be preserved.

We agree with that fully.

Mr. Diefenbaker: And reiterated again in October, and followed.

Mr. Cardin: I will go on. The Prime Minister went on to define equalization—

> —as a payment by Canada to the provinces to bring the per capita return from the three taxes at standard rates up to the average per capita yield in the two provinces in which per capita

yield is highest. For provinces in which the tax potential is relatively low, this principle is most important.

Then the Prime Minister added:

Again I want to emphasize that the federal government remains firmly committed to the principle of equalization and of financial assistance to those provinces in which incomes and taxable capacity are below those of the richer provinces.

Mr. Diefenbaker: Hear, hear; and that is still the view.

Mr. Cardin: That is fine. The Prime Minister went on to say:

The government believes that the principle of fiscal aid and equalization to assist the less wealthy provinces stands on its own feet and is accepted on that basis and is quite separate from the question of tax rental or tax sharing.

I am glad to see the Prime Minister nod his head in approval.

Mr. Diefenbaker: I am in agreement with what you have read from my speech.

Mr. Cardin: I wonder if the Prime Minister will say that when I go on with the other quotations from his speech. This is a firm, clear and inescapable commitment made by the Prime Minister of our country in July, 1960. But at the October conference of 1960 this is what the Prime Minister had to say:

To meet the needs of the provinces with lower tax potential we would therefore—

Mr. Fleming (Eglinton): Mr. Speaker, I would like to ask the hon. member what he is reading from, because there is no official record of the conference.

Mr. Pickersgill: You do not seem to realize it is a press release.

Mr. Fleming (Eglinton): If he is reading something I think he should be called upon to identify it.

Mr. Speaker: I think the minister's point is well taken. If the hon. member is purporting to quote from an in camera conference, he should identify the document. In any event he should identify the quotations.

Mr. Cardin: Mr. Speaker, I would like to make this point quite clear. I thought I had made it quite clear. After the meeting in camera at the October conference the Prime Minister released to the press the proposals he had made in camera. I am reading a statement that appeared in the press.

Mr. Pickersgill: It is right here; October 26.

Mr. Cardin: As a matter of fact I am reading from a press release of the summary of suggestions made by the Prime Minister of Canada to the dominion-provincial conference of October 26, 1960.

[Mr. Cardin.]

Mr. Fleming (Eglinton): The hon. member says he is reading from a newspaper. What newspaper?

Mr. Cardin: It is a release from the Prime Minister's office. What I was trying to say a while ago was that all this information was available at the time of the conference immediately after the session in camera, when the Prime Minister made this public and released it to the press. After that interruption perhaps I can continue to read what the Prime Minister said, not at the July conference but at the October conference of 1960.

Mr. Speaker: Just so the record may be clear, I take it that the hon. member is not reading what the Prime Minister said at the conference in camera but is reading an extract from a press statement given by the Prime Minister on some date which the hon. member has not yet identified.

Mr. Cardin: Mr. Speaker, I am reading from a summary of suggestions made by the Prime Minister of Canada to the dominion-provincial conference of October 26, 1960. The Prime Minister said:

To meet the needs of the provinces with lower tax potential we would therefore ask parliament to provide equalization payments or their equivalent in a total amount of $220 million a year, which is approximately the scale of the payments this year. The amount so provided will take the place of the present equalization payments, the Atlantic provinces adjustment grants, and the special grants to Newfoundland under section 2 of the Newfoundland Additional Grants Act.

The Prime Minister continued:

Being mindful of the necessity of maintaining a reasonable level of public services in areas of low tax potential, we will ask parliament to provide this sum of money for equalization payments. While we are willing to recommend to parliament that the present scale of equalization payments be made available to the provinces, we have some reservation about the present formula of distribution and would hope that the total might be distributed in such fashion as to give greater weight to provincial fiscal need. If the provinces can all agree on a better or more equitable formula for distribution of this amount, the government will recommend it to parliament, provided that each of the Atlantic provinces gets at least as much from such a provincial formula of distribution as it gets at the present time from the equalization payments, the Atlantic provinces adjustment grant, and the Newfoundland Additional Grants Act.

As I said before, we believe that the only interpretation that can be given to this last statement is that while present equalization payments will be made, the principle of equalization as defined by the Prime Minister in July will not be applied in future. Because of the clear repudiation in October, 1960 of the solemn pledge made by the Prime Minister

in July, 1960 I move, seconded by the hon. member for Gloucester (Mr. Robichaud):

That all the words after the word "that" be struck out and the following substituted therefor:

In view of the fact that the federal government at the October conference (1960) with the provinces proposed fixed subsidies in place of the equalization payments provided under the present tax-sharing arrangements, and that this October proposal is a repudiation of the principle of equalization;

Therefore be it resolved that this house strongly favours the continued application of the principle of equalization of direct tax revenues pledged to the provinces by the Prime Minister at the federal-provincial conference in July, 1960, and defined at the time by the Prime Minister as a payment by Canada to the provinces to bring the per capita return from the three taxes at standard rates up to the average per capita yield in the two provinces in which per capita yield is highest.

Mr. Speaker: If no hon. member wishes to comment on this proposed amendment, I shall now put it before the house.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, today we are debating a topic that is very complex indeed. At this time I should like to express the opinion of this group. We intend to support the amendment offered by the official opposition, but in our opinion it is inadequate. It asks only for a continuation in principle of existing arrangements, and does not call for an extension of the basic principle underlying existing dominion-provincial tax-sharing arrangements. Our amendment to the amendment of the Liberals is going to attempt to underline the need for an extension of the underlying basic principles of these agreements.

In 1867 the fathers of confederation reached an agreement whereby responsibilities and powers of taxation as between the two levels of government were arrived at, and we had emerge the British North America Act. At that time the builders of the Canadian nation, meeting in Prince Edward Island, were unable to see how in the years ahead the responsibilities of our provincial governments were going to grow by leaps and bounds. They also failed to see how in years to come we would have a condition wherein new responsibilities would have to be assumed in the main by our other levels of government and that the revenues of the national government would increase at the same time.

For years the problem has been met, in part at least, by the federal government increasingly assuming a partnership role with the other levels of government. Each year we note how the federal government is in many ways attempting to share the responsibility that was imposed upon the provincial governments by the terms of the British North America Act. Already this session we have had legislation before us under which the federal government will attempt to help the other level of government in the field of education. There has been a growth in federal participation in the meeting of these new and larger responsibilities that the lower levels of government now have.

The other method devised some years ago was one whereby the provinces agreed to rent out to the federal government certain taxation rights in return for revenue from the federal treasury. We had evolved the tax-sharing agreements. There has been a lot of misunderstanding in this matter. The federal government has attempted to assume its fair share of the problems of government. Whenever the federal government has moved in to assist the other level of government in such matters as education, highways, health and welfare and unemployment, there have been protests as to the terms and even as to the basic essence of the tax-sharing agreements that have been arrived at. Obviously the easy solution is that about which we have read and heard much, the return to the provinces of their basic rights to tax in order to enable them to look after their constitutional responsibilities.

That is an easy answer, but it does not resolve the basic problem. It is the attitude of Pontius Pilate washing his hands when faced with a difficult decision. In effect, this latest move in October last whereby the federal government offered to return to the provinces their right in the matter of direct taxation was an adoption of the position of Pontius Pilate, the federal government attempting to wash its hands of a problem at a time when we face grave responsibilities in this regard. I submit that the answer is not easy. However, I also submit that the answer will not be arrived at by unloading the whole problem on to the necks of all provincial governments.

This last move, if it were to be accepted by our provincial governments, has in it implications that we all ought to be aware of. There is a danger, because if the provinces accepted this last offer of the federal government we would have a national government that would find itself unable to deal with problems of recession and depression. It would find itself completely handicapped in dealing with the very difficult problem of unemployment. The national government would find itself in a position where it was completely prevented from lending any effective hand in the matter of national development. It would accentuate the inequalities that exist between the standards of living of Canadians in various provinces of Canada. They would have made no contribution toward resolving the very severe handicap under which our municipalities must now operate. Were this proposal

accepted the national government would immediately realize that it would be completely unable henceforth to assist in the matter of education. It would also find itself unable to resolve problems of regional handicaps under which so many of our Canadian people suffer.

We find, therefore, because of all the dangers involved, that the offer of the government to the provinces is not in the interests of our nation. We realize, of course, that there is a problem, as I said before, and we have been given many assurances. I have looked at the Conservative promises made during the last election, as they are to be found in the compilation that has been referred to so often in this house. I notice that hardly any subject contains so many pledges and so many promises on the part of the then leader of the Conservative party, now the Prime Minister, as this matter of dominion-provincial taxation arrangements, or their fiscal arrangements. There are pages and pages of pledges that were given by the then leader of the Conservative party. In reading through all of them one finds that certainly there is no indication that the Conservatives intended to abdicate their responsibilities in this regard.

Mr. Bell (Carleton): And they have never done so.

Mr. Regier: In our opinion this latest move of theirs is an abdication of their responsibilities as leaders of our nation. They are intending to throw the difficult situation into the laps of the provinces. We feel that this is completely inadequate, and is exactly the opposite of the essence of their promises made to the Canadian people at that time.

I might simply touch on the matter of interest rates that other levels of governments have to pay. I refer to the Victoria *Times* of May 22, 1957, where we find that the man who is now our Prime Minister had this to say, and it is in quotation marks:

> Even the city of Victoria has to pay outrageous rates of interest today.

Again, in his home town of Prince Albert, as reported in the Prince Albert *Herald* of May 28, 1957, the Prime Minister said:

> Prince Albert knows when it borrows that it has to pay an exorbitant rate of interest to the east.

Yet now, if the offer of the government were to be accepted, there would be no possibility of any help on the part of this government, with all the resources at its command, toward relieving the interest burdens that have to be borne by our provinces and municipalities. As a matter of fact, only recently in the baby budget the minister imposed an even higher rate of interest on our municipalities and our provincial governments, and it is nonsense that our provinces have to be—

Mr. Fleming (Eglinton): I rise on a point of order, Mr. Speaker. The hon. member is now speaking about the budget. The statement he has made about the budget is completely untrue. I take it, Mr. Speaker, that this is not the proper place or time to be discussing the budget. We have had the budget debate.

Mr. Pickersgill: Mr. Speaker, on the point of order raised by the minister, I wonder whether Your Honour would consider enforcing the rules on the minister as well as on the other members of the house and prevent him from raising these phony points of order which enable him to reply to arguments in debate.

Mr. Regier: On the point of order, the rate that has to be paid by the provincial governments is very much a part of the financial arrangements or, in my submission at least, it ought to be a part of the financial arrangements arrived at between the national government and our provincial governments. I therefore feel, even though there was a reference in the budget to those interest rates and to the borrowings of provincial governments, it is also very much an integral part of the debate now before us. I note in the report—

Mr. Deputy Speaker: May I rule on the point of order. Of course in my mind the subject matter of the amendment moved by the hon. member seems to me to be somewhat restricted, because it brings into discussion only the principle of equalization of direct tax revenues as they exist today, compared with the proposal made at the last federal-provincial conference, which would freeze them, if my interpretation is correct.

Mr. Pickersgill: It is.

Mr. Deputy Speaker: The hon. member knows what I mean. Therefore I do not think it would be appropriate to discuss the whole financial situation of the federal government or even the whole problem of fiscal arrangements with the provinces. Unless I misinterpret the amendment, this is the way I feel the discussion should be limited.

Mr. Regier: I realized, Mr. Speaker, that I might have a little difficulty and I did discuss with a number of members the possible limitations of the debate now going on. However, this very matter of the proposal of the government to freeze the incomes, or the possible incomes, of our provincial governments raises, at least to a certain degree, the effect of this limitation of

the incomes of our provinces. It was for that reason that I brought in the matter of interest rates although I had not intended to pursue it, Mr. Speaker.

It is our contention that dominion-provincial fiscal relations—and I should like to endorse what the Liberal spokesman had to say on this point—ought to be a continuing process; that a permanent organization should be established whereby the growing problems of the two levels of government could be a matter of continuing discussion. I should like to underline his call for the establishment of a dominion-provincial secretariat wherein the minister of this government would preside over continuous meetings with representatives of each of the ten provinces, which would co-ordinate our problems as they have arisen and will continue to arise. We feel that a continuation of the equalization principle is essential in order to give Canadians in all parts of Canada equal opportunities, in order to enable the government to continue to exercise control over the welfare of the national economy.

The proposal of the government would in fact establish within the borders of Canada ten different Canadian nations, and we believe that would be most regrettable. We would find people in Nova Scotia becoming poorer and poorer while other provinces would continue to become wealthier and wealthier. Equal opportunities for all Canadians would then fly out the window. We need a national government that is able to use ways and means to assure to as great extent as is constitutionally possible equal opportunities for all Canadians in all parts of Canada. We also need a continuation of the basic equalization principle in order to enable the national government to exercise a policy of selective development in those areas of Canada where development is most urgently needed.

We also urge a continuation of this principle in order that at least a little more progress can be made toward helping our municipalities meet their growing responsibilities. We have to recognize the need to share our responsibilities no matter where we live in Canada, and the proposal of the government to hand back to the provinces direct powers of taxation would mean nothing more or less than that the wealthier provinces would be enabled thereby to get off the hook of carrying out as Canadians their share of responsibility to those Canadians living in less privileged areas. We do not want to see a return to the provinces of the right to levy their own income taxes. We believe this would bring in its wake many evil results.

In the new agreements that we hope will be arrived at we should also like to see, in addition to the continuation of the equalization principle, ways and means devised whereby in effect there will not be a penalty imposed on those provinces that desire to be progressive and which introduce legislation of various kinds that other provinces may be years in initiating. What I have in mind particularly is that if a province wants to embark on a prepaid medical care program, ways and means ought to be found whereby that province is not going to be penalized indirectly in the years to come for having undertaken a progressive measure albeit ahead of the rest of the provinces. I have in mind such things as the Trans-Canada Highway Act and a national health insurance plan.

We believe that in addition to the equalization principle the tax-sharing arrangements proposed by the government should embody a new principle, a sharing of the problem of raising the necessary social capital. The federal government has under its control the Bank of Canada, and we feel that our municipalities and provinces should be helped, that the time is overdue for the government to come to the aid of other levels of government in the matter of helping to meet their capital needs.

We also do not like the proposal of the Prime Minister that the existing amount of revenue available for equalization will henceforth be taken and allotted to the provinces. It is our view that by doing so we are getting away from the basic principle into the realm of a Santa Claus prime minister deciding when and how and to which of the provinces he is going to pay additional allowances. I know we already have arrangements whereby we pay additional allowances to certain provinces, but we do not like the abolition of agreements that are based on fundamental principles and the instituting of grants instead whereby the government, according to its whim of the moment, would be able to make what in effect would be hand-outs to what it considered to be needy provinces.

We might thus return to a situation where, if the political complexion of a particular provincial government did not meet with the approval of the government of Canada, the province in question would then be discriminated against. We might again have the five-cent speech of Mackenzie King in the annals of Canadian history; that is to say, unless the people of this province vote into office a provincial government of my liking I can assure them they will not get a nickel out of the national government.

This would be a return to the days of Mr. Duplessis, who decided on his own hook to which parishes he was going to give grants for educational purposes. I am very happy that the new government in the province of Quebec intends, if it has not already done so, to remove this inequity and to enact legislation whereby the parishes will have the right to obtain school grants. We want our provincial governments and the people of Canada to have the right to equal opportunities. We do not want them to have that right only at the pleasure of whoever happens to be prime minister at any particular time in our history.

So far as this matter is concerned, I believe we in Canada have to operate as a team. Let us have a united Canada with a national government working in co-operation with the ten provincial governments. I hope we can end the political competition that has too often been evident in relations between the two levels of government and between particular provinces and the national government. Therefore I move, seconded by the hon. member for Kootenay West (Mr. Herridge):

> That the amendment be amended by inserting after the word "resolved" in the first line of paragraph 2, "(a)", and adding to the proposed amendment the following subparagraph:
>
> "(b) and be it further resolved that this house is of the opinion that the present tax-sharing agreements should be extended to provide sufficient federal assistance to the provinces so as to enable them to assist the municipalities in the provision of essential capital services."

Mr. Deputy Speaker: Before I put the amendment, would any hon. member care to comment as to its admissibility? I should like to have the guidance of hon. members.

Mr. Fleming (Eglinton): I do not know whether you wish an observation on that point. I think it is quite obvious that this would involve a substantial charge upon the crown, and it may well go outside the scope of the original amendment.

Mr. Deputy Speaker: I should like to have the views of the house in connection with citation 202 in Beauchesne's fourth edition, paragraph 3. Reference may be made also to May, page 421, in connection with the relevancy of amendments. My worry is that the amendment deals only with the principle involved in equalization payments, which is something quite different from the tax-sharing arrangements. It would seem, therefore, that the subamendment would widen the scope of the discussion. Of course, if the house is agreeable to having it accepted, then I shall abide by that decision.

Mr. Regier: If I may speak to the point of order raised by the minister, I would say that if our subamendment involves a financial burden on the federal government, then the amendment also is out of order because it could be argued with equal force that the continuation of the equalization principle would involve a financial burden on the federal government. I feel, therefore, since the amendment has been accepted, the point of order in connection with the subamendment is hardly relevant.

May I point out that the amendment offered by the official opposition asks that the principle of equalization be continued in the federal-provincial tax-sharing arrangements. All we are asking is that the equalization principle be continued and that, in addition, the principle be extended so as to provide sufficient federal assistance to the provinces in the matter of capital services.

Mr. Nowlan: Mr. Speaker, the amendment speaks of maintaining a principle which has been recognized in the past. The subamendment suggests the extension to a specific field of earmarked funds. There are numerous citations to the effect that an amendment of this kind cannot further encumber the public revenues and I would suggest this subamendment is out of order upon the grounds stated by the Minister of Finance.

Mr. Deputy Speaker: The minister has advanced an argument which I believe has some merit. However, I do not believe the subamendment would impose a greater financial burden upon the crown than the amendment because it is merely a resolution. However, in so far as the subamendment is concerned, I refer the house to May, page 421, the paragraph which is entitled "Amendments to be relevant". The second paragraph reads:

> Stated generally, no matter ought to be raised in debate on a question which would be irrelevant, if moved as an amendment, and an amendment cannot be used for importing arguments which would be irrelevant to the main question.

This is about the same thing as we find in Beauchesne, citation 202, paragraph 3, which reads:

> Since the purpose of a subamendment is to alter the amendment, it should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment; if it is intended to bring up matters foreign to the amendment, the member should wait until the amendment is disposed of and move a new amendment.

As I indicated, it seems to me that the amendment moved by the hon. member for Richelieu-Vercheres (Mr. Cardin) deals only with the principle of equalization of direct tax revenues to bring the per capita return from the three taxes at standard rates up to the average per capita yield of the two provinces in which the per capita yield is highest. Unless I am mistaken, this deals only with

equalization payments and tax-sharing arrangements are another phase of the fiscal problems that exist between the federal and provincial governments. The subamendment, therefore, as I read it, would certainly deal with something irrelevant to the amendment. It would certainly enlarge the scope of the discussion, and if we apply the rules or the decisions to which I have just referred, I would have to declare the amendment out of order.

Mr. Regier: I should like to appeal your ruling, Mr. Speaker.

Mr. Deputy Speaker: Those in favour of sustaining the Chair's decision will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

Mr. Speaker put the question as follows:

The question is an appeal to the house from a decision of the Chair as follows: Mr. Cardin moved, in amendment to a motion to go into supply, as follows:

"That all the words after the word 'that' be struck out and the following substituted therefor:

'In view of the fact that the federal government at the October conference (1960) with the provinces proposed fixed subsidies in place of the equalization payments provided under the present tax-sharing arrangements, and that this October proposal is a repudiation of the principle of equalization;

Therefore be it resolved that this house strongly favours the continued application of the principle of equalization of direct tax revenues pledged to the provinces by the Prime Minister at the federal-provincial conference in July, 1960, and defined at that time by the Prime Minister as a payment by Canada to the provinces to bring the per capita return from the three taxes at standard rates up to the average per capita yield in the two provinces in which per capita yield is highest.' "

Mr. Regier proposed in amendment to the amendment as follows:

"That the amendment be amended by inserting after the word 'resolved' in the first line of paragraph 2, '(a)', and adding to the proposed amendment the following subparagraph:

'(b) and be it further resolved that this house is of the opinion that the present tax-sharing agreements should be extended to provide sufficient federal assistance to the provinces so as to enable them to assist the municipalities in the provision of essential capital services.' "

Whereupon the Chair decided that the amendment was out of order in that it enlarged upon the terms of the amendment as it introduced a subject matter not contained therein and therefore the proposed subamendment was irrelevant as stated at page 421 of May's 16th edition.

Whereupon Mr. Regier appealed to the house from the decision of the Chair.

90205-6—98

Division

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Aiken
Aitken, Miss
Anderson
Badanai
Balcer
Baskin
Batten
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Benidickson
Bigg
Bissonnette
Bourdages
Bourque
Brassard (Chicoutimi)
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Cardin
Carter
Casselman, Mrs.
Chambers
Charlton
Chown
Churchill
Clancy
Clermont
Coates
Comtois
Crouse
Danforth
Denis
Deschatelets
Diefenbaker
Dinsdale
Doucett
Drouin
Drysdale
Dubois
Eudes
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Flemming (Royal)
Forbes
Frechette
Fulton
Grafftey
Granger
Green
Gundlock
Habel
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Hamilton (York West)
Hanbidge
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Keays
Kennedy
Kindt
Knowles
Korchinski
Lafreniere
Lahaye
Legere
Lennard
Lessard
Macdonnell
MacEwan
MacLean (Queens)
MacLellan
Macquarrie
MacRae
McBain
McCleave
McFarlane
McGrath
McIlraith
McIntosh
McMillan
Mandziuk
Martineau
Martini
Matthews
Meunier
Michaud
Milligan
Montgomery
More
Morissette
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nielsen
Nowlan
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Phillips
Pickersgill
Pigeon
Pugh
Rapp
Ratelle
Ricard
Roberge
Robichaud
Robinson
Rogers
Rompre
Simpson
Slogan

Smallwood	Tardif
Smith (Calgary South)	Tassé
Smith (Lincoln)	Thrasher
Smith (Winnipeg North)	Tucker
Southam	Villeneuve
Spencer	Walker
Stearns	Webb
Stefanson	Weichel—153.
Stewart	

NAYS

Messrs:

Argue	Howard
Fisher	Regier
Herridge	Winch—6.

Mr. Speaker: I declare the decision of the Chair confirmed.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, whatever else may be said today concerning the pitch by the hon. member for Richelieu-Vercheres (Mr. Cardin), it was certainly preceded by a long wind-up.

He undertook to touch on, I suppose, 15 or 20 subjects before he admitted the house to a view of the subject which he was proposing to raise on this supply motion. I suppose all hon. members shared the same impression as the speech proceeded. Probably all began with the assumption that this was another of the compositions of Professor Lamontagne—

Mr. Pickersgill: Mr. Speaker, I rise on a point of order, a genuine point of order.

An hon. Member: That is a change.

Mr. Pickersgill: My point of order is that it is contrary to the rules of the house to reflect upon speeches made by hon. members or to suggest that they were written by someone else.

Mr. Fleming (Eglinton): Mr. Speaker, I think the hon. member spoke too soon, if this is the point on which he is so touchy, because I was going to say that before the speech had ended I think we had all concluded it was so bad that it must have been prepared by the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

Mr. Speaker: Perhaps in view of the answer it is unnecessary to adjudicate.

Mr. Pickersgill: I think so.

Mr. Fleming (Eglinton): It is certainly something new, Mr. Speaker, to hear an hon. member, who was not present at a conference that proceeded in camera, rise and assure the house that what he is about to state is an accurate report of what happened at the conference, especially when that report comes from a well-known Liberal newspaper.

I think the accuracy of the hon. member's remarks throughout can well be tested by the fact that when he did get down to something specific he found himself in the wrong column—I think he was in the wrong column all the way through his speech—and even then he did not get the right words.

Let me say in general terms concerning the speech of the hon. gentleman who introduced this motion that the speech was throughout based on wrong premises. It abounded in erroneous statements of fact. It was misleading in its purport, except in the quotation from the words of the Prime Minister (Mr. Diefenbaker).

Mr. Pickersgill: Which one?

Mr. Fleming (Eglinton): That was the one really accurate and reliable portion of his speech. Even if the speech has been accurate, even if it had been based on sound premises, it would have been completely out of date. It has led now to an amendment which is completely misdirected and which has no basis whatsoever.

I make only one comment on the form of the amendment. It is preceded by a preamble. We have not raised this question of order because we want to meet this amendment and invite the house to pass upon what is an invitation by the official opposition to express want of confidence in the government. Let there be no question about the purport of this amendment; it is a want of confidence motion, and therefore we wish to meet it, and meet it head on.

Just in case the point comes up on another occasion, I should like to say that I question whether on an amendment to a supply motion it is proper to introduce a preamble in the amendment.

But there is something more that is involved in the introduction of such an amendment at this time. This is an attempt to jump the gun. This is an attempt to cast into the midst of pending negotiations what is obviously expected to be a very serious obstacle and interference.

I ask you, Mr. Speaker, if you can conceive of a more irresponsible course for any opposition to follow than to attempt to introduce this matter into the realm of debate, while negotiations are still pending and while much of what has passed in negotiation has occurred behind closed doors, and when the opposition has not all the facts. While these negotiations are still proceeding, and when they know it has been proposed that the conference should resume, they now leap into debate and seek to muddy these waters and to follow a course which is calculated to make agreement between the federal and provincial governments more difficult.

I have no doubt whatever that hon. members opposite must have known when they introduced such an amendment at this time, at this particular stage of negotiations, that it would be construed by others outside this house as purporting to prejudice negotiations. We of the federal government are very hopeful of a good agreement being entered into between the federal and provincial governments in keeping with the policy that this government has followed from the moment it was sworn into office of doing justice to the provinces and their municipalities. Having regard to the national interest we shall continue to do in this fiscal field everything that is proper in seeking arrangements for the fiscal period commencing April 1, 1962 that will be fair to all levels of government.

How different was our course five years ago when we were in opposition. Knowing that these matters were proceeding in negotiation and that many of these negotiations were being carried on in camera, we did not seek to muddy the waters. We held the government responsible for the proposals which it brought into the house in the end, as was our duty. We held the government responsible and we attacked those proposals. We divided the house on the legislation by which the federal government of that day sought to place upon the statute books an enactment confirming the terms that the federal government had put forward. That, I think, is the proper course, not to seek to prejudice negotiations at this particular time.

We have heard something this afternoon by way of a review of history from the hon. member for Richelieu-Vercheres which, if it bears any resemblance to the fact and the record, does so, believe me, by pure coincidence. History has been rewritten this afternoon and any resemblance is most difficult to find.

I begin with 1957, with the change of government on June 21 of that year. We came into office and inherited an unholy mess left to us by our predecessors in relation to federal-provincial fiscal relations. Of all the lamentable failures of that previous government I suppose none was worse than in the realm of dominion-provincial fiscal relations, leaving aside for the moment the way in which hon. members opposite sought to destroy the effectiveness of parliament and its dignity.

Let me enlarge on what I have said in regard to the unholy mess they left behind. I suppose never in the history of this country has there been a time marked by greater friction in dominion-provincial relations than was the period of the late days of the former administration, that now long since discredited and unlamented administration.

Agreements had been made by nine provinces pursuant to the Federal-Provincial Tax-Sharing Arrangements Act enacted by parliament in 1956. Yes, nine provinces had made agreements. Had they done so with any degree of alacrity and enthusiasm? No, Mr. Speaker. The attitude of nearly all the provinces was that they had no alternative, that virtually a pistol had been put to their heads.

We do not need to turn to what Conservative premiers said, nor to what the Conservative opposition of those days in this house had to say. Let me just quote some things that were said by Liberal premiers of that time. These statements have been put on the record of the house before, but let me briefly remind the house of some of these observations.

Let us turn, first, to a statement made by Mr. Campbell, the then Liberal premier of Manitoba. This statement was made on July 23, 1956 in commenting on the course of discussion at the conference of that year and the previous year and the hard and fast, take it or leave it proposals put forward by the stiff-necked federal government of that day. Here are Mr. Campbell's words:

> However, Manitoba was still disappointed that so little attention had been paid to the question of the actual financial requirements faced by the provincial governments in the next few years.

Mr. Pickersgill: Would the minister tell us the source of that quotation?

Mr. Fleming (Eglinton): And again;

> It is our recommendation that before any new pattern in federal-provincial relations is adopted a thorough reassessment of the relative responsibilities and revenue sources of the various governments in Canada should be undertaken.

Mr. Pickersgill: Would the minister say where that was taken from?

Mr. Fleming (Eglinton): Yes. I happen to be reading now from *Hansard* of February 9, 1959, at page 840, where I had, as I indicated earlier this afternoon, put these statements on the record.

Mr. Pickersgill: But where did Mr. Campbell utter those words?

Mr. Fleming (Eglinton): The hon. member will find those words at page 840 of *Hansard* of February 9, 1959.

Mr. Pickersgill: Mr. Campbell was not a member of this house. Mr. Speaker, I am raising the point of order raised by the Minister of Finance (Mr. Fleming) with respect to the hon. member for Richelieu-Vercheres (Mr. Cardin). It is well known that Mr. Campbell, the former premier of

Manitoba, was never a member of this house and never had an opportunity to put anything on *Hansard*. What I asked the minister was where he got Mr. Campbell's words which he is now reading and which he placed on *Hansard* once before.

Mr. Fleming (Eglinton): Mr. Speaker, I am reading from a statement of Mr. Campbell which appears in *Hansard*. Those words have been placed on the record several times already and the hon. member will find Mr. Campbell's full statements on *Hansard* as well as the statements I am now about to read.

Mr. Pickersgill: It is probably fabricated.

Mr. Fleming (Eglinton): Mr. Speaker, I do not know if Your Honour heard the remark made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) who said, "It is probably fabricated." I ask you, Mr. Speaker, to instruct the hon. member to withdraw that remark.

Some hon. Members: Shame.

Mr. Speaker: I did not actually hear the word "fabricated" but as the point has been raised the hon. member will perhaps confirm or deny having used it and if he confirms his use of that word I trust he will do more, as was proposed.

Mr. Pickersgill: I said, sir, "It was probably fabricated" and I said so to irritate the minister as I have succeeded in doing. I do not really think it was fabricated.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I do think, Mr. Speaker, the house is entitled to be told where and when Mr. Campbell said that and not merely to be told that on a previous occasion the minister put that statement on *Hansard*. The minister has said those words were uttered by Mr. Campbell. A great deal turns upon when they were uttered and in what circumstances. The minister is using them in argument. The house is just as much entitled to know when those words were spoken as it was entitled to know when the words of the Prime Minister (Mr. Diefenbaker) referred to by the hon. member for Richelieu-Vercheres were spoken about which the Minister of Finance asked for confirmation.

Mr. Speaker: The hon. member has dealt with a point he has raised himself with which I should like to deal later, but in the interval I trust he will not allow to remain on the record the statement that the minister has fabricated a statement. It seems to me that is an accusation that touches upon the dignity of parliament.

[Mr. Pickersgill.]

Mr. Pickersgill: Mr. Speaker, if I did not appear to withdraw handsomely enough, let me now withdraw that statement unreservedly.

Mr. Speaker: The other point is as to whether an hon. member using a quotation he has previously put on *Hansard* ought to have to verify its source. I think that verification is a matter or argument rather than of right. It seems to me an hon. member is entitled to quote what he said in *Hansard* at an earlier time if exception was not taken to it then. It is a basic right of hon. members to refer to previous debates and to read what has been said. It is open to hon. members to challenge whether or not the quotation was correct. It is open to all hon. members to challenge the quotation if they have grounds for doing so.

Mr. Fleming (Eglinton): On the same occasion, Mr. Speaker, I also put on the record this quotation of Premier Matheson of Prince Edward Island, uttered at the same period:

> No recognition of a province's fiscal need problem or its tax-raising ability was taken into consideration in the re-allocation or distribution of the tax moneys, but the same old factors were again used in the formula—the gross national product of Canada and the population of the provinces.

Here is what the provincial premier of Alberta had to say:

> The federal government has retained for itself the broader and higher-yielding tax fields and, plagued with its financial problems at national level, has failed to recognize the financial needs of its provinces and their municipalities.
>
> We hope that the shift toward centralization of governing authority which has resulted from a complex system of grants will be reversed so that more than ever the decisions can be made by representatives close to the people.

Those are not the words of Conservatives. Those are the words, in two cases, of Liberal provincial premiers and in the third case of a Social Credit provincial premier.

It was not a happy settlement that came into effect on April 1, 1957. It was a series of arrangements that the provinces disliked and denounced and which we, then the official opposition in this house when this legislation was presented by the government in the summer of 1956, attacked and voted against because we said it made inadequate provision for the provinces. That was the situation when we came into office. The agreements were already in existence. We have carried out those agreements to the letter, and we have added very substantially to the payments that have been made to the provinces, whether by way of conditional or unconditional grants, since that time.

In November, 1957 we called the first of what has now become a formidable series of dominion-provincial conferences in the past

three and a half years. One striking fact stood out in that conference. That was that the federal government, this new federal government, was taking an entirely new attitude toward the provinces in such meetings. Gone was the old stiff-necked attitude of the former administration, that take it or leave it attitude which had stood out in their dealings and was demonstrated at the previous conferences. The attitude shown by the new federal government earned the warm-hearted praise of many of those attending the conference representing provinces, and by no means all from provinces with Conservative governments.

Then we come to the early days of 1958 when the federal government moved swiftly to enlarge, and to enlarge substantially, the benefits provided for the provinces. Two outstanding measures were introduced at that time. The first was to increase from 10 per cent to 13 per cent the provincial share of the yield from the personal income tax. The second was the introduction for the first time in history of the Atlantic provinces adjustment grants. Let me say very simply but very emphatically, Mr. Speaker, that had there not been a change of government there would have been no increase from 10 per cent to 13 per cent to the provinces of their share of the yield from the personal income tax, and there never would have been an Atlantic provinces adjustment grant.

These new measures have been in effect now for almost three years. They will complete the third year on March 31 next. The increase from 10 per cent to 13 per cent in the provincial share of the yield from the personal income tax has been in those three years worth to the provinces $200 million in round figures. The provision by way of Atlantic adjustment grants was at the rate of $25 million a year for the four years commencing April 1, 1958. In those three years, then, those three fiscal years that have almost concluded, those grants have been worth $75 million to the four Atlantic provinces. They have been worth $7,500,000 to Prince Edward Island; they have been worth $22,500,000 to each of the other three provinces of Nova Scotia, New Brunswick and Newfoundland. So you see, Mr. Speaker, these additional provisions have been worth to the provinces in those three years, in round figures, about $275 million.

We did not pay these out of any overflowing treasury, Mr. Speaker.

Mr. Pickersgill: That's for sure.

Mr. Fleming (Eglinton): We did not have any big surplus to pay them out of. In order to aid the provinces and the municipalities of the country we were prepared to enlarge our deficit and go deeper into the red to help them.

I have said that none of this money would ever have been made available to the provinces had it not been for the change of government. I go farther and say that when we hear these mealy-mouthed assertions about equalization payments, this government has nothing to learn from its predecessors or from the tattered remnant of our predecessors who bedeck the benches opposite.

The fact is, as I have said before in this house on previous occasions, the principle of equalization, by which we mean the principle of assisting provinces in fiscal need, assisting them out of the federal treasury, has been carried farther by this government than was ever done before, much farther than the former government ever dreamed of doing. The Atlantic povinces adjustment grant represents the farthest extension in this country's history of the principle of equalization in terms of meeting fiscal need of provinces. These are simply the provisions that have been made by way of amendment of the Federal-Provincial Tax-Sharing Arrangements Act; but they do not comprehend at all the total of the provisions made by the federal government on behalf of the provinces.

The previous administration claims credit for the increases that were made and that became effective on April 1, 1957. Yes, the agreements that were entered into at that time did provide for certain increases. But who has found the money in budgets year by year to pay those increases, as well as those substantial increases that were introduced, that would never have been made available to the provinces but for the change of government? It is the present federal government; and when hon. members opposite talk about our deficits we say that those who want to be fair in their judgments of such questions ought to be frank enough and just enough to remember that much of our deficit was attributable to the substantial increases year by year in aid to the provinces out of the federal treasury.

This has been placed on record before, Mr. Speaker; I do not need to delay the house in regard to it. You will find it on page 2676 of *Hansard* of March 31, 1960. You will see there, Mr. Speaker, what has been the total of federal payments to the provinces. I will just segregate for one moment the conditional payments, for the scope and the extent of those additional payments have been greatly enlarged since we came into office, and because of the enlargement of those cost-sharing programs these have to be paid for. And the federal government has been more generous than any previous government had

been in offering assistance to the provinces in measures of this kind which fall under provincial jurisdiction, in their establishment and maintenance, and to which the federal government has been permitted to contribute.

If you look at that record, Mr. Speaker, you will find that the federal contribution to the provinces by way of conditional payments in the fiscal year 1956-57 amounted to $111 million. In 1957-58 they rose to $144.8 million; in 1958-59 to $248.1 million; in 1959-60, according to the then preliminary estimates, $383.3 million and acording to the estimate for 1960-61, $389 million. Since we came into office our contributions to these conditional grants to the provinces have increased more than threefold.

I give now the totals of payments of all kinds, unconditional payments, conditional payments, as well as those payments for the benefit of provincial institutions, namely university grants and grants to municipalities, in the past five years. They are:

Year	Millions of Dollars
1956-57	689.4
1957-58	837.2
1958-59	1,037.6
1959-60 (preliminary)	1,252.6
1960-61 (estimated)	1,300.9

You will see, Mr. Speaker, that since we came into office payments out of the federal treasury to the provincial treasuries, whether by way of conditional or unconditional payments or payments to provincial institutions including universities and municipalities, have, speaking in round figures, doubled. Yet these hon. gentlemen opposite have the temerity to come into the house and pretend, and what a hollow pretense it is, to be the champions of justice to the provinces. We have nothing to learn from hon. members opposite about doing justice to the provinces. We want none of the injustices that they did to the provinces and the way in which they went about their work of centralizing power at Ottawa while not being fair to the provinces in fiscal matters.

Therefore, on the record with respect to the present period covered by the Federal-Provincial Tax-Sharing Arrangements Act, the five-year period that runs to March 31, 1962, we say that since the present government came into office there has been a notable improvement. First, there has been a notable improvement in the spirit in which the federal government has met the provinces and understood the problems of the provinces in discharging their constitutional responsibilities. Second, there has been a substantial increase in the amounts provided out of the federal treasury for the benefit of the provinces and their institutions. Third, the principle of assisting provinces that are in fiscal need has been carried farther than it was ever carried before or dreamt of by our predecessors.

What is the outlook for 1961-62? I would think that the additional 3 per cent in the provincial share of the yield from the personal income tax may be expected in the next fiscal year to amount to somewhere in the neighbourhood of $70 million in round figures. There will be again $25 million to the Atlantic provinces, and the payments out of the federal treasury to the provinces by way of federal contribution to cost-sharing programs will undoubtedly be substantially larger than in any previous year.

Quebec's adherence now to a program of hospital insurance means that the federal treasury in what remains of the present fiscal year will be paying out an additional $13.9 million on that account, and it is estimated that Quebec's adherence to the scheme of hospital insurance will involve additional payments out of the treasury in 1961-62 in excess of $70 million. When people speak of the fact that the estimates for the year 1961-62 show an increase of $222 million over those for 1960-61 let me point out that over $70 million of the increase is accounted for in that way alone.

I pass on to the subject of the preparations for the fiscal arrangements for the period that will begin on April 1, 1962. There have been some half dozen preparatory conferences. Never before has so much effort been expended by the federal and provincial governments in studying the common problems that they face and in laying the groundwork for such arrangements as may be entered into after April 1, 1962. We have had meetings of the continuing committee of officials. There were two conferences of the finance ministers and provincial treasurers and there have been two plenary conferences in 1960 of the Prime Minister and the premiers of all of the provincial governments.

All of these meetings have been helpful. All of these meetings have been carried on in a good spirit. There are, of course, differences. Naturally each government has certain responsibilities which it must discharge in respect of those whom it represents, but the spirit has been good and if hon. members opposite will stop playing politics with this problem—

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): —if they will stop trying to stir up trouble for their mean political purposes then I think we will go along very well in these dominion-provincial

plenary conferences and I think we can look toward something very much better than the provinces ever would have received if there had not been a change of government in 1957.

It sounded strange in the mouth of the hon. member for Richelieu-Vercheres this afternoon to hear him talk about the desire for more regular consultation. What an assertion coming out of the mouth of a member of the opposition, asking for more regular consultation. There has been more consultation already in connection with these proposed arrangements for the fiscal period beginning April 1, 1962 than there was five years ago in connection with those that came into effect in 1957.

What have we heard when we have reported to parliament on these further consultations? We have heard from the opposition only derision when we have talked about meetings of the ministers of finance and provincial treasurers, useful meetings that they were; when we have talked about meetings of the continuing committee of officials, a committee, incidentally, that was not set up by us but was set up by Mr. St. Laurent. This is another action of Mr. St. Laurent that has apparently been repudiated by his successors opposite who have forgotten the very great debt that they owe to Mr. St. Laurent. They would never have sat on the treasury benches had it not been for Mr. St. Laurent and I think it was very shabby treatment that they accorded to Mr. St. Laurent in 1957 and 1958. It is no credit to them now to try to repudiate what Mr. St. Laurent did in setting up this continuing committee of officials.

Let me say a further word now on the subject of the two plenary conferences in 1960, the one held in July and the other in October. These, as I have indicated, were carefully planned conferences. The meeting in July was called principally for the purpose of giving the provinces full opportunity to state their views, their claims, yes, their demands. Of course they readily responded and they did state their demands. As was my duty I had to make some reckoning of what these demands aggregated and I gave the house the figures. I do not need to delay the house now, Mr. Speaker, with those figures, but I can remind the house of the fact that the demands of the provinces were marked by extraordinary diversity.

It would not have been too easy to harmonize all the demands of the provinces. Apart from the problem of conflict in the nature of the demands, there was the problem of cost. If you look back at *Hansard* for August 10, 1960, page 7930, you will find that I put on the record just some of the demands that were made upon us. I estimated these demands as there categorized would have cost the federal treasury between $2,080 million and $2,055 million per annum. This was not an exhaustive list.

It is worth recalling what the Winnipeg *Free Press* had to say at that time on this subject. Here, I expect the hon. member for Bonavista-Twillingate to sit up and take notice because I refer to the Winnipeg *Free Press*, from which he has never been known yet to derogate. This is an editorial that appeared in the Winnipeg *Free Press* of August 16, 1960, and I quote:

> There is no reason why the provinces' demands should not be met—if the people of the provinces are prepared to pay for them. They cannot, however, expect the federal government to hand out an extra $2 billions every year without getting the money from somewhere. The present federal budget is just under $6 billions. Of this, about $1.5 billions goes for defence, another $1.5 billions to the department of health and welfare—largely for children's allowances and old age and other pensions.
>
> The federal government could, therefore, almost meet the provincial demands by eliminating entirely our spending on defence or by doing away with family allowances and all pensions. Clearly that is impossible.

I interject there and say that it is impossible unless the hon. member for Bonavista-Twillingate is going to propose it.

> Equally unattainable is the hope of reducing other government expenditures to anywhere near the point that would free enough money to meet the provinces' requests. The only alternative (outside of printing more money and shoving the country over the edge of the financial precipice) is for Ottawa to raise the extra $2 billions by raising taxes to produce this sum.
>
> To grant the provincial demands would mean an increase of about 40 per cent in the federal budget. That is the amount of increase we could then expect in all the taxes we pay—income, sales, excise and so on. Faced with a tax increase of this proportion, however, it may be that the vast majority of the taxpayers will join with Mr. Fleming in crying "halt" to the premiers' demands.

I am sure that statement will not be attacked by the hon. member for Bonavista-Twillingate.

This afternoon we have heard some curious misinterpretations of the position taken by the Prime Minister at that July conference. If ever a statement was plain, plain for all to read, plain for all to understand, it was the statement made by the Prime Minister at the opening of the conference on July 25. It seems that hon. members opposite are not content to have a plain statement. Instead of interpreting it in accordance with its plain terms we have heard a most interesting but most inaccurate gloss put upon the words of the Prime Minister this afternoon.

Here are the words of the Prime Minister. Can you imagine anything clearer, more straightforward or more emphatic than these words? What the Prime Minister stated on July 25 is the position of the federal government today and will continue to be the position of the federal government. I quote:

> Some provinces have indicated a desire to resume the collection of their own revenue from these tax fields.

He was speaking of the standard taxes, the personal income tax, the corporation tax and the succession duty or estate taxes. He continued:

> This raises a question which will have to be considered in the course of this conference but I want to make this abundantly clear on behalf of the dominion government that whatever the ultimate decision may be the principle of equalization must be preserved.

We had to sit here this afternoon and listen to the hon. member opposite talk as though that statement had never been made.

Mr. Pickersgill: He quoted it.

Mr. Fleming (Eglinton): Then he proceeded to misinterpret it in a way that would do justice to only the hon. member for Bonavista-Twillingate. I continue the quotation from the Prime Minister's statement:

> Equalization, the second component, is a payment by Canada to the provinces to bring the per capita return from the three taxes at standard rates up to the average per capita yield in the two provinces in which per capita yield is highest. For provinces in which the tax potential is relatively low, this principle is the most important.
>
> It might be noted in passing that earlier arrangements did not recognize the principle of equalization explicitly although it was to some extent implicit in the "per capita" basis of payment.
>
> Again I wish to emphasize that the federal government remains firmly committed to the principle of equalization and of financial assistance to those provinces in which incomes and taxable capacity are below those of the richer provinces. Indeed,—I think this is worthy of being pointed out—through the Atlantic provinces adjustment grants, this government has carried this principle further than ever before. Last year the total payments for equalization and other fiscal aid grants amounted to $215 million as compared to $136 million in 1957-58, which was the first fiscal year in which the present act has been in effect.
>
> The government believes that the principle of fiscal aid and equalization to assist the less wealthy provinces stands on its own feet and is accepted on that basis, and is quite separate from the question of tax rental or tax sharing.

I doubt, if any clearer statement has ever been made at a dominion-provincial conference. I do not know how it would be possible for anyone to make a clearer statement than the Prime Minister made on that occasion. That was the position of the government on July 25, 1960, and that is the position of this government on this 30th day of January, 1961. It is the position this federal government will carry into the further conferences and exchanges that remain to be carried out before the new arrangements are finally consummated.

I come now to the October conference. I have indicated that at the July conference the floor was largely occupied by the provinces in stating their demands. At the October conference, the Prime Minister on behalf of the federal government put forward, not any take it or leave it proposition, no package proposal, but what were described by him and treated throughout the conference as suggestions. This was made very clear at the outset by the Prime Minister. No delegate attending the conference in any capacity was under any misunderstanding of the status of these suggestions. They remained suggestions throughout, and indeed the flexibility of the federal attitude as demonstrated by the Prime Minister in that conference won praise.

So, Mr. Speaker, let us be quite clear about this. When the hon. member for Richelieu-Vercheres this afternoon talked, as he did, about the Prime Minister assuming an arrogant attitude, an attitude that was downright insulting to the provinces, he was talking about something about which he knew nothing. He was making a statement that flew right in the teeth of the fact and of the truth. I hope I have made myself plain, Mr. Speaker. The hon. member for Richelieu-Vercheres rises in this House of Commons today and makes these baseless, irresponsible statements, but no such statements were made by any of the provincial premiers at that conference. Not one of them had anything to say by way of disagreeing with or condemning the attitude taken by the Prime Minister.

Mr. Pickersgill: Page Mr. Bennett.

Mr. Fleming (Eglinton): Who wants to page Mr. Bennett?

Mr. Pickersgill: Apparently most of the members of the treasury benches.

Mr. Fleming (Eglinton): Is he an ally of the hon. member for Bonavista-Twillingate? He apparently has not anybody else to summon to his rescue now but Premier Bennett of British Columbia.

Mr. Pickersgill: You can have him.

Mr. Fleming (Eglinton): What about some of the provinces closer to home, if the peregrinating hon. member for Bonavista-Twillingate has any place that he calls home now in the various provinces? Wherever home may be, let us hope that in his case it will be "Home Sweet Home". However, evidently

he cannot get any help closer to home, wherever his home may be. I therefore leave that subject at that point.

Mr. Pickersgill: I would.

Mr. Fleming (Eglinton): I do not think I will do so now, Mr. Speaker. Let me make it clear that the hon. member for Bonavista-Twillingate does not know first hand what happened in that conference. If he is upholding what was said this afternoon by the hon. member for Richelieu-Vercheres in attributing to the Prime Minister an attitude that was arrogant or insulting to the provinces I must say to him that he has been misinformed. He is proceeding from a source of information that is not accurate or reliable.

Mr. Pickersgill: I only read the newspapers.

Mr. Fleming (Eglinton): Then my statement stands, namely that if there is any newspaper or any person that says that the Prime Minister took an attitude at that conference that was arrogant or insulting to the provinces, it or he is resorting to a source that is untrue and unreliable. Let us not have any more nonsense about that matter by hon. members opposite.

The Prime Minister was thanked at the conclusion of that conference by those who were there for the way in which he had conducted the conference. He was thanked for his flexible approach. This was the way in which the provincial premiers reacted to the attitude of the Prime Minister. They did not act in the way in which the hon. member for Richelieu-Vercheres says, based on his lack of knowledge of what occurred there and supported by the hon. member for Bonavista-Twillingate proceeding on his enormous lack of knowledge of what happened at the conference. So much for the attitude.

The federal government through the mouth of the Prime Minister laid before that conference certain suggestions that were discussed freely and at the close of the conference it was indicated that the views put forward by the provinces would be studied and considered. That promise, like all the promises of the government, has been fulfilled to the letter. The views of the provinces have been most carefully reviewed and studied. We have considered those views in the light of their earlier demands, in the light of the federal fiscal position and indeed in the light of all relevant circumstances.

I pointed out that the suggestions put forward by the Prime Minister at that time took account of the demands that had been made in certain provincial quarters for release from what was described in those quarters as a strait-jacket.

In all of this we sought to have due regard and due respect, which we think any federal government owes, for the sovereignty and autonomy of the provinces as well as for the responsibilities which they carry under the constitution. There was no such thing contemplated as, to use the expression that has fallen from the mouths of some hon. members opposite, a return to the tax jungle. As a matter of fact we said that if in the end a decision were reached that all or any of the provinces were to assume responsibility for levying and collecting taxes, the federal government was prepared to undertake the collection. Hence there will be no question at all about multiplicity of forms or return to a tax jungle. A tax jungle is the sort of thing that I think has existed in the minds of certain hon. members opposite. It certainly is not part of the thinking of the present federal government.

I have indicated the suggestions made by the Prime Minister of what would be involved. There were reasons why the provinces should at that stage have been offered their freedom to make their choice because, as some provinces reminded us, when the tax agreements were first introduced the provinces opposed them. The situation has changed to the extent that some provinces now want the federal government to go on levying and collecting their taxes. At that time I had occasion to point out how far this situation has gone in Canada. It has gone to the point where the provinces in the aggregate are drawing practically one third of their revenues out of the federal treasury.

This point was discussed, namely whether in a country operating under the kind of constitutional system we have that is a sound situation. But if you look at the figures province by province, Mr. Speaker, I think you will see some quite startling percentages. Here are the percentages province by province of payments out of the federal treasury or abatements by way of reduction of federal taxes, and this is an estimate for the present fiscal year, 1960-61:

Province	Percentage
Newfoundland	68.8

In other words, Mr. Speaker, 68.8 per cent of the revenues of the provincial government of Newfoundland are now drawn from the federal treasury.

Province	Percentage
Prince Edward Island	60.9
Nova Scotia	55.8
New Brunswick	55.5
Quebec	17.4
Ontario	26.7
Manitoba	49.2
Saskatchewan	38.6
Alberta	30.5
British Columbia	35.7
Total	31.5

In other words, the over-all percentage right across Canada is 31.5 per cent.

Hon. members in the opposition apparently do not think these figures are worthy of the attention of a dominion-provincial conference. We thought they were worthy of the attention of the dominion-provincial conference.

But, as I indicated a while ago, even if the baseless assertions that have been made by the hon. member for Richelieu-Vercheres this afternoon had been true or had been based on fact, they would still be completely out of date. The hon. member completely overlooked the status of the suggestions put forward by the Prime Minister at the October conference. They were not proposals. There was no package put forward as was the case with the St. Laurent government five years ago. These were merely suggestions for which the federal government took what was recognized by the provincial premiers in that conference as a flexible attitude and approach. Then the hon. member for Bonavista-Twillingate had this to say. Here is bravery for you. Here is a Canadian Press dispatch from Ottawa, January 11.

Mr. Pickersgill: What year?

Mr. Fleming (Eglinton): The year is 1961, the year in which the hon. member for Bonavista-Twillingate was supposed to grow up but did not do so. It reads in part as follows:

> J. W. Pickersgill said today the Conservative government is trying to destroy the federal-provincial tax-sharing system which he described as one of the greatest acts of statesmanship of the former Liberal government.
>
> "We Liberals are not going to let them do it," Mr. Pickersgill told the national Liberal rally.

In the face of these thundering words we have just been shaking in our shoes ever since. This is enough to strike terror into the heart of anyone who hears these thundering declarations by the hon. member for Bonavista-Twillingate. His assertion has no truth in it; it flies in the teeth of fact. When he says that the present federal government is trying to destroy the federal-provincial tax-sharing system he is being truthful only if he puts a completely distorted interpretation on what he means by the federal-provincial tax-sharing system.

Hon. members opposite know this perfectly well. As I said earlier this afternoon, they are trying to jump the gun; they are trying to make speeches to redeem these thundering threats by the hon. member for Bonavista-Twillingate, because he knew perfectly well the status of the suggestions, that these matters were going to be further discussed, and that exchanges were in the course of being prepared. So just to satisfy his ego he puts up the hon. member for Richelieu-Vercheres this afternoon to make the speech that the hon. member for Bonavista-Twillingate should have made, if he is prepared to assume paternity for what was uttered here this afternoon, so that his threat as reported in the Canadian Press dispatch that I read might not look to be completely repudiated by his own party. So he jumped the gun and had this speech made this afternoon.

Let me do now what should have been done tomorrow or the next day in the house. The Prime Minister this afternoon stated at the opening of the house that a letter had gone to all provincial premiers proposing a resumption of the conference. That letter, of course, is in the mails and normally it would not be read in the house until received by the provincial premiers. But I think the provincial premiers will understand why it is proper at this moment to read this particular letter, in view of the fact that hon. members opposite in their speeches and in their amendment are seeking to cast the federal government in an entirely false light. It is for that reason, and having regard to the fundamental fairnesses that are involved in the situation, that I should like to read the letter that has gone to all the provincial premiers. It has been signed by the Prime Minister and it reads:

> The dominion-provincial plenary conference called to discuss fiscal arrangements for the period following March 31st, 1962, adjourned on October 28th last to meet at the call of the Chair. Is seems appropriate now that steps be taken to reconvene the conference. I propose that the meeting be resumed in Ottawa on February 23rd and 24th.
>
> I am sure that all governments have been studying this important subject further with a view to arriving at a satisfactory and workable understanding. The suggestions which I have placed before the October conference included the principles of equalization based on fiscal need and the stabilization of provincial revenues. The federal government is also prepared to make provision for a growth factor in the equalization formula. It is our hope that agreement may be arrived at on the basis of these principles.
>
> I realize that on account of the sitting of parliament and the legislatures this is a very busy time for us all. I hope, however, that you may find it possible to be present at the reconvened conference on Thursday, February 23rd, commencing at 10.00 a.m. If these dates are not regarded by the majority of the provinces as convenient, I would suggest alternatively March 23rd and 24th.

So the attempt of the opposition this afternoon to cast the government in a false light fails. There is the answer, the vindication of the principle of equalization, the vindication of the principle of stabilization and the acceptance of the concept of the growth factor as attached to the principle of equalization. So everything that has been said by the opposition this afternoon is proved now to have been an utter and hollow sham. The government will proceed with its planned program. It will meet the provinces in conference. It

will discuss their further proposals and submissions, and in the same attitude as has characterized the approach of the federal government previously we will, as the Prime Minister assured the provinces at the October conference—as he had earlier—seek in the true Canadian spirit to arrive at workable and satisfactory accords and understandings.

As has already been indicated to the house, it is the wish of the government to conclude the discussions and conferences in time to present a measure to parliament at this present session to provide the legislative authority for such arrangements as may be entered into with respect to the period commencing April 1, 1962.

One thing I make abundantly clear, that we have at all times stipulated in these conferences—and I repeat it now—that the Atlantic provinces adjustment grants shall be continued and that they shall be continued as Atlantic provinces adjustment grants, not denied their identity, as seems to be the thinking of hon. members opposite. They want to make them merged, blurred and obliterated in some general formula. Well, we have said, and we repeat, that the Atlantic provinces adjustment grants deserve to continue to stand on their own feet, and we propose to continue them. Likewise we shall continue the provision of the $8 million per annum for the province of Newfoundland to assist that province to bring the level of its services up to those of the other provinces.

Mr. Speaker, I see it is six o'clock. I do not wish to retain the house beyond six o'clock. Will you call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Fleming (Eglinton): Mr. Speaker, at the six o'clock adjournment I was making some reference to the Atlantic provinces adjustment grants and was drawing attention to what seems to be a developing difference between the government and the opposition. I pointed out that there was a very great difference between us at the outset, for the former government made no attempt to introduce any Atlantic provinces adjustment grants or to recognize the special position of the Atlantic area in relation to the problem of fiscal need, and that had there been no change of government there would never have been any such thing as Atlantic provinces adjustment grants.

Let this further distinction be drawn very clearly. Throughout these negotiations the federal government has maintained very firmly the principle that the Atlantic provinces adjustment grants must be continued. They must be continued as what they can claim to be—Atlantic provinces adjustment grants—a recognition on the part of parliament of the special position of the Atlantic area in relation to this principle of equalization.

The hon. member for Richelieu-Vercheres this afternoon made it quite clear—I take it he was speaking for his party; he was certainly speaking for the hon. member for Bonavista-Twillingate and that probably is the party—that it has now become a policy of the Liberal party to blur out the Atlantic provinces adjustment grants, simply to leave their problem to be taken care of in general terms by some general formula. The public will have its opportunity to decide which policy it wishes. There is a clear difference drawn here between the government and the opposition in this policy. Let there be no doubt. We will stand firm for the continuance of the Atlantic provinces adjustment grants as a separate form of federal aid to this particular area.

I was surprised indeed that this position should have been taken by the Liberal opposition. Perhaps one should not be surprised. They have played politics of late to an increasing degree with everything upon which they have been able to lay their tongues. But at the dominion-provincial plenary conference in 1957 this statement emerged in the agreed communique issued at the conference:

> It was generally agreed that the over-all economic position of the Atlantic provinces is now such as to justify some special grants in aid to the governments of those provinces from the federal government.

Note those words, Mr. Speaker: "some special grants in aid to the governments of those provinces." That is the position of the government; it maintains special grants in aid for the Atlantic areas.

That leads me to make this comment also in relation to the payments to Newfoundland. We made it equally clear at the conference that regardless of what else might be agreed upon eventually in relation to equalization, stabilization, tax-sharing or anything else, we stipulated the continuance (a) of the Atlantic provinces adjustment grants and (b) the payment of $8 million yearly to the province of Newfoundland. We now have the Liberal party setting up a new policy here, that all of this is to be blurred and submerged. It will be interesting to know what the premier of Newfoundland will have to say about this suggestion that the special provision of $8 million for Newfoundland to enable that province

to help bring the level of its services up to those of the other Atlantic provinces be now blurred and submerged. It will be interesting to hear what he will say when he learns that his political kith and kin in the house are now saying in effect, "Oh well, merge these, submerge them, blur them and just get some general formula of general application."

That is not our position. We say that these are distinct grants and they will continue as distinct grants in the policy of the present government.

I have been conjuring as best I could the reason that has prompted the official opposition to follow the course it did this afternoon. On all previous occasions it was the hon. member for Bonavista-Twillingate who selected himself as the opposition spokesman on dominion-provincial relations. I do not recall any case in which the hon. member has permitted anyone else to share this distinction with him, although I believe last year he permitted the hon. member for Laurier (Mr. Chevrier) to take some part in the debate in relation to the problem of university grants. Always, however, the spokesman on this subject has been the hon. member for Bonavista-Twillingate. Today for some reason or other the hon. member sits back, for the time being at any rate, and it is the distinguished and popular hon. member for Richelieu-Vercheres who is permitted to make the speech.

This is an interesting departure from the established tactics. I think we can draw only one conclusion from this departure. It is that the hon. member for Bonavista-Twillingate realized that the course being taken this afternoon by the opposition was so utterly irresponsible that he did not want to have his name tagged on to the amendment. It was generous indeed of the hon. member for Bonavista-Twillingate to be willing on this occasion to share with the hon. member for Richelieu-Vercheres the distinction of being spokesman for the official opposition on matters pertaining to federal-provincial fiscal relations. I suspect, however, that there was an Ethiopian in the woodpile someplace.

It was a striking fact this afternoon that after all the interest displayed by the hon. member for Bonavista-Twillingate, the Leader of the Opposition (Mr. Pearson), and I think one or two others, last Friday, on the subject of the calling of a dominion-provincial conference and the exchange of communications with the provinces, when the Prime Minister on motions this afternoon introduced his statement which one would have thought under any circumstances would be regarded as a very important one, the kind of statement that would have been followed at once, seeing that it was made on motions, by a statement from the official opposition and then a statement from the C.C.F. and no doubt questions on the orders of the day, probing for more and more information, there was silence. Did it not strike you as odd today, Mr. Speaker, that silence followed the statement by the Prime Minister. The hon. member for Bonavista-Twillingate had no statement to make. He was the senior member of the official opposition in the house. Their ranks were badly depleted.

Mr. Pickersgill: But some of us were still here.

Mr. Fleming (Eglinton): This golden opportunity to make some comment he allowed to go by default, a most extraordinary circumstance, Mr. Speaker.

Mr. Pickersgill: Very suspicious.

Mr. Fleming (Eglinton): There was ample time on the orders of the day. Today the period was rather shorter. From the whole of the official opposition there was not one question on this subject. I think the reason is plain. It is quite plain that the official opposition did not want any more information on this subject before they introduced their amendment and made their speeches. The less information that came out today in regard to the federal government's position the better from their point of view because they wanted to argue as though they were facts which were not facts, and so they wanted no information. They wanted to bring out nothing further in the way of fact or information for the house. They wanted to go ahead and argue this in the hope that no further information would come before the house before they argued their sorry case.

I think this is about as sorry and irresponsible an exhibition on the part of the official opposition as we have seen or, I hope are likely to see for a very long time. Whatever may be said about their demeanour and their performance when the Leader of the Opposition is present, all I have to say is, if this is the best they can do when he is absent, they had better get him back soon or get a message off to Essex East.

I am interested as well in the fact that when the hon. member for Bonavista-Twillingate for a moment allowed his mantle to be worn by one of his colleagues it was a member from the province of Quebec who was permitted to wear it on this occasion. I am left to wonder whether this is by way of giving notice to parliament that there has been a change of position in regard to this matter on the part of Quebec. Does this mean that the province of Quebec now espouses the case for tax rentals and wishes to rent these standard tax fields to the federal government?

Mr. Cardin: May I answer the minister immediately. I was elected to the federal parliament and what I say here has to do with the federal government.

Mr. Fleming (Eglinton): Mr. Speaker, not having had any answer to my question I continue to ask it.

Mr. Cardin: Perhaps the minister should ask Mr. Lesage if he wants an answer.

Mr. Fleming (Eglinton): It is perhaps not amiss for us in this house, when we see the curious tactics adopted by the official opposition today, to wonder whether this is notice, as I have suggested, that the province of Quebec, or the hon. member for Richelieu-Vercheres now thinks that the province of Quebec should rent these standard tax fields to the federal government?

Mr. Cardin: Mr. Speaker, on a question of privilege, not even the Minister of Finance, with all his words, can make me say things that I did not say. I never said any such thing.

Mr. Fleming (Eglinton): Mr. Speaker, I did not say the hon. member said that. I am drawing attention to the fact that with the zeal that the hon. member has demonstrated this afternoon he has assumed the role of spokesman for the official opposition—

Mr. Cardin: The Liberal party.

Mr. Fleming (Eglinton): —on dominion-provincial questions in what was intended, I am sure, by the opposition to be a very important statement and has apparently come out quite strongly on this matter. It is a fair question, I think, on the part of those who followed his statement with great care, to ask if this means that the hon. member for Richelieu-Vercheres has now become a convert to the theory of tax rental, and if he shares with the hon. member for Bonavista-Twillingate this great enthusiasm for the tax rental system to the point where he thinks that the province of Quebec should change its position and now rent, or propose to rent, these fields of taxation to the federal government if the federal government were prepared to rent them?

Mr. Cardin: I think I can answer that question, and I think the minister should let me answer it. I, as a member of the federal Liberal party, have always been in favour of tax rentals, and I have said so in the past. Regardless of whether the province of Quebec decides to go for tax rentals, my position has never changed since I have sat in this house.

Mr. Fleming (Eglinton): The hon. member has made it quite clear that he supports a system of tax rentals.

Mr. Cardin: That is correct.

Mr. Fleming (Eglinton): He has not dealt with the point I have raised. Does he advocate rental by the province of Quebec to the federal government of all these three fields of taxation?

Mr. Robichaud: Mr. Speaker—

Mr. Speaker: The hon. member for Gloucester rises on a point of order.

Mr. Robichaud: I wish to raise a point of order. Since when has a minister of the crown been allowed to ask a series of questions of members of the opposition in this house?

Mr. Fleming (Eglinton): Mr. Speaker—

Mr. Robichaud: It is a point of order.

Mr. Speaker: It seems to be natural in the normal course of debate to ask questions to which one does not expect an answer. I do not know of any rule of the house which compels or prevents another hon. member to answer if the member who asked the questions permits it. I think there is no point of order.

Mr. Fleming (Eglinton): Mr. Speaker, I certainly can no longer expect an answer from the hon. member for Richelieu-Vercheres—

Mr. Cardin: I would be willing to give one.

Mr. Fleming (Eglinton): —because he has said that he is an advocate of the system of tax rentals. He still leaves us wondering whether he advocates that the province of Quebec should rent these tax fields to the federal government.

Mr. Cardin: That is the province's problem, not mine.

Mr. Fleming (Eglinton): Then, we are just where we were. The hon. member still has not answered the question and I suppose we will not even have an answer. We are left then in the position that the official spokesman of the Liberal opposition today on dominion-provincial relations has now proclaimed himself a zealot for the system of tax rentals, but when it comes to a simple question of applying those to the province that he knows best, apparently that is where the answers to the questions end.

Mr. Cardin: Very, very feeble.

Mr. Fleming (Eglinton): In leaving this question, Mr. Speaker, I can only express the hope that some day courage will rise and that the house will be afforded the opportunity of knowing what is the position of the hon. gentleman in regard to this very simple question that I put to him.

Mr. Pickersgill: Would the minister permit me to ask him a question?

Mr. Fleming (Eglinton): With pleasure.

Mr. Pickersgill: Would he tell us what he thinks of Mr. Frost's $100 million inasmuch as the minister comes from the province of Ontario? Let him give a courageous answer to that.

Mr. Fleming (Eglinton): Mr. Speaker, Mr. Frost has throughout been very straightforward in the demands he has made on behalf of the province of Ontario—

Mr. Cardin: So has Mr. Lesage.

Mr. Fleming (Eglinton): —and he has based his demands upon principles that he conceives to be of general application.

Mr. Cardin: So has Mr. Lesage.

Mr. Fleming (Eglinton): I have never known Premier Frost to advocate one thing for Ontario and something different for the other provinces. I will say this of him, that always what he has advocated has been applied to all provinces. I have not known him, when faced with a question as to whether he stood for something, to run away from the question of whether it did or did not apply to his own province.

Mr. Pickersgill: I am asking where you stand, not where Mr. Frost stands.

Mr. Cardin: I think the minister had better drop the argument.

Mr. Fleming (Eglinton): May I draw attention now to the terms of the amendment. Earlier, I ventured to express a question with respect to whether it is proper in an amendment to a supply motion to introduce a preamble, but here is a preamble and perhaps I might say a word about it as well as on the operative part of the amendment. The preamble reads as follows:

> In view of the fact that the federal government at the October conference (1960) with the provinces proposed fixed subsidies in place of the equalization payments provided under the present tax-sharing arrangements, and that this October proposal is a repudiation of the principle of equalization.

You will note, Mr. Speaker, the fifth word in this amendment. It says, "In view of the 'fact' that". I say that is not a fact. It is an untruth, and this amendment would be much more accurate if it read, "In view of the untruth that the federal government at the October conference with the provinces proposed fixed subsidies".

It is quite true, that in the course of the group of suggestions that the Prime Minister put forward he made it quite clear that the principle of stabilization was being introduced into the suggestion with respect to equalization so that there would be no such thing as any drop in the amount of equalization that would be guaranteed to the provinces. He also invited the provinces to discuss among themselves how the sum should be distributed among them. In other words, he invited proposals from them. But, to call that a proposal in the sense in which the opposition uses the word "proposal" is, I say, to make this preamble a denial of the fact.

The operative part of the amendment reads as follows:

> Therefore be it resolved that this house strongly favours the continued application of the principle of equalization of direct tax revenues pledged to the provinces by the Prime Minister at the federal-provincial conference in July, 1960—

And so on.

Mr. Pickersgill: Read the rest of it.

Mr. Fleming (Eglinton): Very well. The hon. member for Bonavista-Twillingate apparently has not read the rest of it so he asks me to do so. I continue:

> —and defined at that time by the Prime Minister as a payment by Canada to the provinces to bring the per capita return from the three taxes at standard rates up to the average per capita yield in the two provinces in which per capita yield is highest.

Mr. Pickersgill: Are you against that?

Mr. Fleming (Eglinton): That latter part is not a precise statement of the—

Mr. Pickersgill: It is word for word.

Mr. Fleming (Eglinton): That is not a precise statement of the position in regard to the principle of equalization. The Prime Minister made that firm statement that I quoted this afternoon in regard to equalization. The distribution is, of course, a matter to be agreed upon. As I pointed out at the conference, the principle of equalization is there. The principle of stabilization is there. It is fully recognized, it is fully supported. We have carried the principle of equalization farther than it has ever been carried before. The hon. member has gone beyond and has attempted to say in effect that equalization means just the same thing as it meant in 1957.

Mr. Pickersgill: Oh, no.

Mr. Fleming (Eglinton): That is what he is asking the house to swallow tonight. So far as the principle of equalization is concerned, the sound principle of using federal revenues to meet the fiscal needs of certain provinces, nothing could be clearer than the statement by the Prime Minister, and I challenge anybody in this house to put in clearer words than did the Prime Minister on July 25 last the firm position taken by the federal government in relation to the principle of equalization, namely the principle of meeting fiscal need in the provinces.

Mr. Pickersgill: It cannot be done. That is why we used those words.

Mr. Fleming (Eglinton): Pardon?

Mr. Pickersgill: I said it cannot be done and that is why we used the Prime Minister's precise words as found on page 10 of this document.

Mr. Fleming (Eglinton): The hon. member says it cannot be done. I do not know what the "it" is he is speaking of.

Mr. Pickersgill: I will explain it to the minister. The minister said that the definition of equalization could not be described more precisely than it was by the Prime Minister. That was our opinion and that is why we used the Prime Minister's precise words taken word for word from the third paragraph on page 10 of the proceedings of the conference, and the minister is now repudiating them.

Mr. Fleming (Eglinton): Mr. Speaker, all that fury deserved a better cause and a stronger foundation.

Mr. Pickersgill: Read the words.

Mr. Fleming (Eglinton): I read the words this afternoon. The hon. member is seeking to link two passages and put his own interpretation on them.

Mr. Pickersgill: No, there is no interpretation by me.

Mr. Fleming (Eglinton): Let me make it clear what the Prime Minister said. Here are his words:

> —I want to make this abundantly clear on behalf of the dominion government that whatever the ultimate decision may be the principle of equalization must be preserved.

The principle of equalization.

Mr. Pickersgill: Read the next two sentences.

Mr. Fleming (Eglinton): The next two sentences go on to talk about how equalization is applied.

> Equalization, the second component, is a payment by Canada to the provinces to bring the per capita return from the three taxes at standard rates up to the average per capita yield in the two provinces in which per capita yield is highest. For provinces in which the tax potential is relatively low, this principle is the most important.

Mr. Pickersgill: Exactly.

Mr. Fleming (Eglinton): If the hon. gentleman is saying that the principle of equalization must always have attached to it the particular application or particular formula that he or his government attached to it in 1956, then I say that is an accretion on the principle of equalization. That is not the principle of equalization. At the conference we had different provinces suggesting changes in the formula, both the formula by which the amount is determined and the formula by which the principle of equalization is distributed among the provinces. No province that I am aware of treats the present formula as the principle of equalization. The principle of equalization is that out of federal revenues provision should be made with a view to helping those provinces that have fiscal need. That is the principle of equalization.

Mr. Pickersgill: It is not what the Prime Minister said.

Mr. Fleming (Eglinton): It is what the Prime Minister said. The Prime Minister, having stated the adherence of this government to the principle of equalization, pointed out the application of it in the present five-year period and under the present agreements, but no province has said that this is like the laws of the Medes and Persians, that this is immutable. As a matter of fact, I think a number of them, indeed I think the majority of them, asked for changes in formula.

Mr. Pickersgill: In the rates.

Mr. Fleming (Eglinton): Yes, and they asked for changes in the formula for distribution too. You see, the hon. member for Bonavista-Twillingate was not at the conference. He always talks as though he knew everything but the fact is he does not know what went on there and he is just guessing now. It is simply guesswork in which he is indulging now. He is attempting to put glosses on the statements that no provincial premier would ever attempt to put on.

The provinces do not hold the former Liberal government in the same esteem in which the hon. member for Bonavista-Twillingate holds it. They do not wish to have things continued as they were in 1956 under the Federal-Provincial Tax-Sharing Arrangements Act. They are hoping for something better. They know they have had something better since the changes were made in that legislation at the instance of the present federal government in 1958 and since.

The hon. member for Bonavista-Twillingate, then, has written what I would say

is a trumped up amendment. He knows, and no member of the house knows better than he that the government and every member supporting the government is committed to the principle of equalization, the principle of assisting provinces in fiscal need. At the same time he has drawn up this amendment knowing perfectly well it is a want of confidence motion and no member can support this amendment unless he at the same time expresses want of confidence in the government. If anyone else had done this the hon. member would be up denouncing it as trickery. What he is trying to do, you see, is put upon those hon. members who will vote against this amendment the appearance of being opposed to the principle of equalization.

We have seen what has happened before when parties have gone out on the hustings, have turned up *Hansard*, and tried to draw inferences from votes and from the terms of amendments without telling the whole story. I wish to make this plain statement. If after the vote is taken on this amendment anybody goes out anywhere, at any time, and portrays the government or any member of this house supporting the government as opposed to the principle of equalization he will be doing plain violence to the truth. He knows perfectly well that this is a want of confidence motion. It was introduced as such; it has that as its object.

My final word is on something that is most important in relation to the problems faced at the dominion-provincial level in any field, whether it be political, fiscal or otherwise. It is for this reason I have laid such emphasis today upon the spirit in which the present government has approached this problem of federal-provincial fiscal relations. This spirit was reflected by the federal government at the conferences. This is the spirit in which we intend to continue to carry on our exchanges, our dealings, our negotiations with the provinces of this country. It is the true Canadian spirit. It was in that true Canadian spirit that the Prime Minister, again in this opening statement at the conference on July 25 last, used these words:

> We are fully conscious of the fact that the fiscal policy of the federal government has a considerable effect on business in Canada and on the financial position of the provinces and municipalities, and I can assure you this, that in shaping its financial programs the federal government has considered the interests of other governments and of the Canadian economy as a whole.
>
> This year we will be making greatly reduced claims upon the capital market. Our net new borrowings will be about $210 million as compared with about $900 million last year and nearly $1,300 million in the year before that. The result will be that in reducing the volume of federal government borrowing so sharply the problems of provincial and municipal governments and of private industry are greatly eased in meeting their essential financial requirements in the domestic market.
>
> Our policies are and will continue to be designed to ease pressures on the capital market at a time of business expansion and at the same time resisting inflation.
>
> Our financial policies have helped to reduce the reliance of other governments and private business on foreign capital markets, and the beneficial results are to be seen in the decline in the exchange rate of the Canadian dollar.

Then, later on, he said:

> —I hope there will emerge mutually acceptable arrangements or agreements which will govern our financial relations in 1962 and subsequent years. I look forward to a most free, frank and friendly exchange of views.
>
> My colleagues and I are anxious, I repeat, to hear your suggestions and your representations realizing at the same time that this conference will not make the final determination.
>
> While conditions are vastly different from those of the founding fathers their dream of a united Canada has become a reality as the spirit of national unity becomes stronger through the years.
>
> The federal system must be preserved and maintained and without centralization. My hope is that this conference will be a forward step to better things and that in a spirit of friendship and mutual respect we will condition ourselves again to the high ideals of the founding fathers thereby keeping faith with their great concept of a united Canada. We in turn will do our part to share the maintenance of equality of opportunity to Canadians in all provinces.

Those were noble words, Mr. Speaker. They breathed a noble Canadian spirit, and that is the spirit which animates the government of Canada.

(Translation):

Mr. Speaker, we, in the government simply wish to serve the best interests of the whole of Canada, with regard to fiscal relations between the federal government and the provinces.

Our aim is to respect at all times the constitution of the country. We recognize that the provinces have rights and responsibilities of their own which we have respected and shall continue to respect faithfully.

The government is firmly intent on contributing to the national unity of our dear Canada.

(Text):

Mr. Cardin: I did not want to interrupt the minister's usually verbose and unfathomable speech, but I wonder if he would be kind enough to tell the house whether or not the letter he read this afternoon was sent to the provincial premiers today, and if so at what time. Could he at the same time inform us as to exactly what is meant by the "growth factor" to which he referred in quoting the letter to the premiers, the reference being that a growth factor would be provided for in the equalization formula?

Mr. Fleming (Eglinton): The letters were dispatched by Her Majesty's mail to all provincial premiers today before the house

met. This was made quite clear by the Prime Minister in his statement at the opening today. If the hon. member is not acquainted with the meaning of the words "growth factor", then I am afraid he has not gone very far in his researches into federal-provincial fiscal relations. This is one aspect of the discussions that proceeded in camera with which it is quite evident the hon. member is not familiar. I am sure all of the provinces will know the meaning of the expression "growth factor" and will have no difficulty whatever in correctly interpreting the letter of the Prime Minister.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I think I should begin by congratulating the Minister of Finance (Mr. Fleming) on his first wind-up until six o'clock, at which point he announced he was concluding his speech; then he got his second wind which has been almost entirely pure wind. The minister, however, attempted to misrepresent the amendment before the house.

Mr. Fleming (Eglinton): Mr. Speaker, it is one thing to say "misrepresented" and it is another thing to say "attempted to misrepresent".

Mr. Speaker: It is sometimes said that an hon. member misrepresents something but to say that he attempts to misrepresent, it seems to me, is contrary to the rules.

Mr. Pickersgill: I do not think it is a very successful attempt because,—

Some hon. Members: Withdraw.

Mr. Pickersgill: —as a matter of fact the minister had to read from the proceedings of the federal-provincial conference.

Mr. Speaker: I trust that the hon. member will modify the initial statement "attempted to misrepresent".

Some hon. Members: Withdraw.

Mr. Pickersgill: For the sake of economy of time I will waste no further time and will withdraw the remark. Unlike the minister, I have limited time of which I have no doubt the minister intends to use as much as he can in his customary manner.

This amendment, as the minister was obliged to admit, in the second part from the words "defined at that time by the Prime Minister" is word for word taken from page 10 of the Prime Minister's (Mr. Diefenbaker) statement to the federal-provincial conference on July 25. It was put in those terms precisely because that seemed to us to be an absolutely accurate definition of the principle of equalization as it seemed to me it was understood by everyone who understood it.

Some hon. Members: Oh, oh.

Mr. Pickersgill: We on this side of the house did not think we could improve on the Prime Minister's words in this particular. What the house is being asked to do, is to endorse the precise definition of equalization given by the Prime Minister. The Minister of Finance suggested that there is some trickery. He said he would not use the word but he said I would have used it if the conditions had been reversed. He said there was some trickery about this amendment. I will tell you, Mr. Speaker, what there is about this amendment. This amendment would never have been moved at all if the Prime Minister had not made his second statement or his suggestions, as the minister now likes to call them, in October which were in contradiction to what the Prime Minister had said in July. It was because of that contradiction that the amendment was moved.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I will call some other witnesses than members of the Liberal party on this particular point and some that are quite close to hon. gentlemen opposite on this precise point before I have finished with what I have to say.

I have no doubt that the government was greatly disappointed by this amendment. From what went on today before the orders of the day were reached it was obvious that the government thought the amendment was going to be to advocate the renconvening of the federal-provincial conference. The Prime Minister, with one of those—I will not use the word "tricks"—political devices which are quite legitimate, thought he would forestall that amendment. As a matter of fact, the calling of the federal-provincial conference is surely far less important than is the question of whether the federal-provincial conference, when called, is going to be able to rely upon the plain language the Prime Minister used in July or is going to be offered some substitute for it.

I must say that the terms of the letter are very equivocal. The Minister of Finance says that equalization has something to do with fiscal need. It is true that equalization helps to meet a fiscal need. However, as the minister also pointed out, it does not by any means completely meet it. Otherwise there would be no need for special grants to the Atlantic provinces. The definition of equalization has never been fiscal need. The definition of equalization has been, as the Prime Minister put it, to bring the revenues from the three taxes in all the provinces up to the level of those of the highest two. That is the definition of equalization, and the only definition there has been.

Either the government is going to stick by what the Prime Minister promised or it is not. We felt that this house ought to affirm that they were going to stick by what the Prime Minister promised in July and what he took away, in the opinion of some observers I think would be hard to laugh off.

I have here from the Winnipeg *Free Press*, a paper that now seems very dear to the Minister of Finance, of October 29, an account of a statement made by Mr. Roblin, the premier of Manitoba, when he returned from the federal-provincial conference. I do not intend to read all of his account. I simply want to deal with what Mr. Roblin said was the real point at issue. Here is what he said:

> The real point at issue between the federal government and Manitoba, Mr. Roblin said, is the equalization principle which aims at giving the poorer provinces parity of revenue with the richest. He spoke out strongly against the federal proposals to freeze equalization payments at last year's level for the full five years of the new tax agreement.

That is Mr. Roblin's statement when he went back to Winnipeg. That is what he understood by the proposal or the suggestion of October. Mr. Roblin is not a stupid man. In fact, he is an extremely intelligent man and I think he understands this subject thoroughly. It will be noted that Mr. Roblin's view of what was proposed or suggested, if the minister prefers his euphemism, in October was precisely the view we took in this amendment. The plain fact is that if you fix the payment, as was suggested in October by the Prime Minister, at $220 million, that amount is the amount paid last year and there would be no growth factor of any description and there certainly would be no equalization in that procedure unless the revenues of the country remained absolutely stable or possibly, as the minister suggested, fell. I cannot think that even this government is so convinced that we are going to have depression conditions for the whole of the next five years that they regard a freezing of last year's payments as an adequate kind of equalization.

The minister in his speech also made something about another point. I do not intend to spend much time on it because it really had nothing directly to do with the amendment but since the minister raised it, I think it ought to be dealt with. He said that the Liberal party was trying to blur out the distinction between the Atlantic province grants, and indeed he also mentioned the payment due to Newfoundland under the constitution, as to which the position of the Liberal party has always been perfectly clear and has never been changed in any way, namely that it is a matter of right which ought not to be mixed up with this other matter at all but should have been treated quite separately as a matter of right. But I suggest that it is very hard, if you read the Prime Minister's own statement last October, to draw any other conclusion than that this is precisely what the government is trying to do, because here is his second suggestion. This is the operative part:

> To meet the needs of the provinces with lower tax potential we would therefore ask parliament to provide equalization payments or their equivalent in a total amount of $220 million a year—

When you read the next page you find that $220 million is the sum total of the equalization element of the present payments to the provinces, plus the Atlantic provinces grant, plus the payments that should be made under term 29. That is what it is, but it is all blurred together and it is described in this way:

> To meet the needs of the provinces with lower tax potential we would therefore ask parliament to provide equalization payments or their equivalent in a total amount of $220 million a year—

I say that if that is not blurring the thing, I do not know what blurring is. I think it is a good thing that that blurring has now been —and I hope the government does not change its mind again over this—removed tonight by the Minister of Finance.

He said that when this government came into office in 1957 they found federal-provincial financial relations in an unholy mess. If they found them in an unholy mess, that suggests, surely, there was something wrong with the system itself, there was something improper about the system. Yet three years later the Prime Minister goes into the railway committee room here on July 25, 1960 and pledges himself to maintain that very principle of equalization which the Minister of Finance said was in an unholy mess in 1957. I do not know which way you are to have it—

Mr. Fleming (Eglinton): Mr. Speaker—

Mr. Pickersgill: I do not wish to be interrupted and I intend to continue.

Mr. Fleming (Eglinton): Mr. Speaker, on a point of order, the hon. member has said that I said the principle of equalization was in an unholy mess—

Mr. Pickersgill: I did not say any such thing.

Mr. Fleming (Eglinton): What I said was that the previous government had left this whole matter of dominion-provincial fiscal relations in an unholy mess.

Mr. Speaker: The minister rises on a point of order, but what he does is contradict. If he is not satisfied with the interpretation of what he said he may correct it at the end of the speech, unless the hon. member cedes the floor.

Mr. Pickersgill: I do not cede the floor, and I do not wish to cede the floor, because we have had far too much of this business. I repeat what I said—and it will be found in *Hansard* that this is what I said in the first place, if the minister had troubled to listen—that the minister had said that we left the whole situation in an unholy mess.

Mr. Fleming (Eglinton): That is not what you said; you said, "the principle of equalization".

Mr. Pickersgill: That is exactly what I said; and I said that three years later the Prime Minister came and pledged himself to maintain this principle of equalization, which was the principle of the arrangement in 1957 which the hon. gentleman describes as an unholy mess.

Mr. Fleming (Eglinton): Utter sophistry.

Mr. Bell (Carleton): A *non sequitur*.

Mr. Pickersgill: The minister calls it sophistry. If you have to listen to two hours of sophistry it is pretty hard to deal with some other commodity when you are replying.

Mr. Fleming (Eglinton): Do not misquote me.

Mr. Pickersgill: The plain fact is that the principle of equalization, as everyone knows or ought to know—though I sometimes wonder whether some of the members on the treasury benches understand the matter at all—

Mr. Henderson: I do not think you do.

Mr. Pickersgill: Everyone knows, or ought to know, why the principle of equalization and the present tax sharing legislation were substituted for the old tax rental system in 1957. They were substituted for it in order to make it possible for all provinces to participate. Up until that time the former government of the province of Quebec—and the same attitude is taken by the present government—was not willing to rent their tax fields, and they are still not willing to do so.

However, we took the view that it was unfair to penalize a province on that account. That is why this tax sharing and equalization proposal was made by the St. Laurent government in 1955. Actually it was made formally in 1956; it was put up to the provinces and discussed in the autumn of 1955 and a formal proposal was made publicly and clearly so people could understand it. They did not have to ask questions in 1956 about what the growth factor meant.

The result was that every province accepted it. It is true that they were not content with the amount of money they received. The Minister of Finance suggested that even with the harmony that, he claims, now prevails in this country they would not be content with the money they are going to receive. It is perfectly obvious that none of them were at all content with what happened last October. Indeed, I have here, and I think perhaps the minister will give to this the same respect he expects me to show for everything that appears in the Winnipeg *Free Press* a clipping from the Ottawa *Journal* of October 29, 1960. This is an article written by a newspaper man who has on the whole, I think been pretty friendly to the present government. It is written by Mr. Richard Jackson The heading on this article is:

Conference nowhere on tax deal, Jobless.

This is how it reads:

The federal-provincial conference got nowhere on either a tax deal or unemployment.

Tax negotiations would continue by mail, Prime Minister Diefenbaker has reported, "in an effort to resolve our differences".

There would be another round of talks next year, and, added the Prime Minister with emphasis, there would "have to be agreement before time run out on us all with expiration of the current tax agreements in March of 1962".

Then he goes on—and I will not read this—to say that even more bleak had been the performance of the conference on unemployment. That was the considered judgment of a reputable journalist in a Tory newspaper about that conference in October.

I was astonished that the minister read one paragraph from the Prime Minister's speech in July, where he talked about the federal government making no demands on the capital market, or very slight demands, in the next 12 months. That was based on the hypothesis of his $12 million surplus and not on the unpleasant facts that he was beginning to realize in October about his $300 million or $400 million deficit.

Mr. Fleming (Eglinton): You are quite mistaken.

Mr. Pickersgill: If the minister thinks he can get any premier to agree that he has made it easier for them to borrow he had better read what Mr. Bennett, Mr. Frost and a few of the rest of them said the day after he brought down his budget. I have some of their remarks here, but it would not be relevant to this debate, much as I would like to remind the Minister of Finance of what Mr. Bennett had to say.

The minister also made a great deal of the immense increase that the federal government, the present government, had made in payments to the provinces under the Federal-Provincial Tax-Sharing Arrangements Act, including therein the Atlantic provinces grants. I admit that those were very welcome additions, and I would not be so silly as to say they were not. I have never at any time, as the minister knows, done anything but praise

the present government for the Atlantic provinces grants. The minister will find nothing that I have ever said to the contrary at any time, because I do like to be accurate about these things.

But I would remind the house and the minister—who knows it very well but never says it—that the change from the old tax rental system to the tax-sharing arrangements act which came into effect on April 1, 1957 resulted in an additional $100 million going to the provinces in the first year of the tax-sharing plan over what they had received in the last year under the old arrangement.

Mr. Fleming (Eglinton): Will the hon. member not agree that I referred to that fact this afternoon? I did not mention the amount but I referred to the fact.

Mr. Pickersgill: It was the first time the minister has ever done that. The minister was careful not to refer to the amount. In the Tory literature that my hon. friends opposite send around the country they always take the last full Liberal year, 1956-57. They claim everything else has been done by the present government. I could bring down that literature and read it to the minister and I shall do so in another debate.

The plain fact is that as a result of the additions that Mr. Harris proposed to this house in relation to the Federal-Provincial Tax-Sharing Arrangements Act of 1956, which came into effect on April 1, 1957, the provinces in the four succeeding years have received well over $400 million more than they would have received if those changes had not been made, and that is compared with the $275 million additional that the minister pointed out had been received by the provinces under changes in the law made by the present government.

Mr. Fleming (Eglinton): And we paid every cent of it.

Mr. Pickersgill: Out of the minister's own pocket no doubt. The minister says they paid every cent of it. I will tell the minister who paid. The taxpayers of Canada paid.

Mr. Fleming (Eglinton): The hon. member criticized us for having deficits.

Mr. Pickersgill: The minister also said, "Of course, it was easy for the Liberals to do it because they ran the country well and had a surplus but it was difficult for me because I was running the country so badly that I had a deficit." That is a very slight paraphrase of what the minister said in that respect.

Mr. Fleming (Eglinton): A gross distortion.

[Mr. Pickersgill.]

Mr. Pickersgill: And the minister dropped a few tears, of course.

Mr. Grafftey: The hon. member said that, not the minister.

Mr. Pickersgill: The minister took a great deal of credit for all these meetings that had been held prior to the meeting that has now been called for February 23 or March 23. Of course, when that meeting takes place there will have been, I believe, exactly the same number of meetings as were held before the 1956 bill was introduced in this house in a previous parliament. Precisely the same number, I believe. The procedure that has been followed has also been very similar indeed.

Notwithstanding the unholy mess we are supposed to have made of it, so far as these conferences are concerned the pattern has been extraordinarily similar as though someone had been—and I suspect someone was—looking up the precedents and telling hon. gentlemen opposite what they should do next. Evidently Mr. Frost thought that because he said in the legislature the other day that it was about the time at which it was customary to receive a letter from Ottawa to say what they would get. They are going to get a letter but it is not going to tell them what they are going to get. It is simply going to tell them that there is a growth factor, undefined. Everyone knows what a growth factor is.

Mr. Fleming (Eglinton): Not the hon. member for Richelieu-Vercheres. That hon. gentleman does not know.

Mr. Pickersgill: I say without the slightest fear of contradiction that the government does not know what the growth factor is they are going to propose, that they have not yet decided what particular formula they intend to propose. I am not privy to the secrets of the cabinet but I have had a certain amount of experience and I am perfectly sure that if the government knew what is was going to propose to the premiers and if hon. members opposite were not ashamed of it, we would know it too.

The only reason it is described as a growth factor in that letter is that hon. members opposite do not know what formula to propose. They have not made up their minds. They have not decided. They are probably still arguing about it. There would not have been any letter today nor would there have been a growth factor proposed at this time, or for another couple of months as the Minister of Finance indicated on Friday—

Mr. Fleming (Eglinton): The minister did no such thing.

Mr. Pickersgill: —if the minister had not the impression—

Mr. Fleming (Eglinton): That is utterly untrue.

Mr. Pickersgill: It is my opinion, and it is a matter of opinion.

Mr. Fleming (Eglinton): The hon. member is flying in the face of the facts.

Mr. Pickersgill: The minister knows very well that no letter had been written on Friday and no decision had been made on Friday to send a letter today.

Mr. Fleming (Eglinton): How do you know?

Mr. Pickersgill: The minister knows full well—

Mr. Fleming (Eglinton): That was a reckless statement.

Mr. Pickersgill: —that no doubt having a shrewd suspicion that this attempt to short-change the provinces that was made last October would be protested in this house at the first available opportunity, the government thought it would be a clever thing to do to get this letter out today. Oh, I think it was quite a clever thing but it would have been a lot more satisfying to the provinces and to the country if that letter had stated in precise terms what this government was prepared to do in the way that Mr. St. Laurent did when he wrote his letter in January, 1956.

Mr. Fleming (Eglinton): Did the hon. member compose it for Mr. St. Laurent?

Mr. Pickersgill: The minister took delight in referring to Mr. St. Laurent's attitude. The minister enjoys going back to the speeches made in 1955. He does not read all of them but he does read some of them and draws from them phrases which he uses again and again. He described the Liberal attitude as inflexible and stiff-necked.

The fact is, of course, that after the letter in January, 1956, was sent another conference was held and a very substantial modification was made in that scheme as a result of the representations made by the provinces at that conference, as the Minister of Forestry (Mr. Flemming) will well recall. It is true that all of the modifications the provinces would like to have seen made were not made and I venture to suggest—and here I am echoing the Minister of Finance and for once agreeing with him—that if all the suggestions from all the provincial premiers at these conferences were carried out there would be nothing left in the federal treasury. However, that is not the point at all.

Mr. Brunsden: Did you tell Mr. Lesage that?

Mr. Pickersgill: Of course, Mr. Lesage's proposals were very moderate compared with those made by the premier of Ontario who has the notion, apparently, that Ontario has some kind of prior right to every dollar that is earned by anyone in Ontario, and that any federal taxation levied in that province is, as his favourite organ the *Globe and Mail* says so often, stolen by them and handed out to people in other provinces to use it extravagantly.

I do not think this view that has been expressed by the *Globe and Mail* and that is expressed more and more by Mr. Frost will commend itself much to the minister's friends in all the other provinces. It certainly does not commend itself to the leader of the minister's and Prime Minister's party in the province of Saskatchewan because Mr. Pederson, again according to the Winnipeg *Free Press* of October 29, 1960, made a statement in Regina which is of some interest. The headline reads:

Saskatchewan P.C. chief blasts Dief on tax plan.

The article reads:

Martin Pederson, Saskatchewan Progressive Conservative leader, Thursday condemned Prime Minister Diefenbaker's proposals on new tax collection methods—

There is more to the same effect.

The plain fact is, as Mr. Walter Harris pointed out in his budget speech in 1957 in words that were simple and eloquent, the taxes imposed on the people of Canada by this parliament are imposed upon Canadians, collected from Canadians and spent on Canadians. That is the whole basis of any tax-sharing arrangement that we have in this country, without which there can be no unity in this country.

I wish I had unlimited time at my disposal because I should like to read what Sir Wilfrid Laurier and Mr. Fielding had to say about this in 1907, although they did not at that time have some of the modern techniques and notions we now have.

Sir Wilfrid Laurier and Mr. Fielding pointed out at that time that the proper basis of federal subsidies should be a real per capita basis and not the rather extraordinary scheme that there was in the British North America Act, and changes were made in that direction.

The minister objected to something some of my political friends had said about a return to the tax jungle. I lived in the tax jungle and I lived in what was perhaps the worst tax jungle because it was the most honestly run province in Canada in the depression. I refer to the province of Manitoba.

When I was a lecturer at United College in the province of Manitoba we paid a federal income tax and we paid a provincial income

tax, and in addition, a single man paid a 2 per cent wage tax on every dollar he earned if his income was over $480 a year. Every married man paid that wage tax on every dollar he earned if his income was over $960 a year. That tax was imposed by Mr. Bracken. It was imposed by Mr. Bracken because, instead of repudiating the provincial debt, as was done in some other provinces under some other kinds of governments, or instead of allowing the unemployed to suffer, those who were employed were taxed and taxed very heavily indeed in order to see that there was no undue suffering, no more suffering than was inevitable from unemployment at that time.

But notwithstanding the level of taxation that we had at that time in Manitoba, and notwithstanding the honest efforts made by the government at that time to deal with those problems, it just was not possible with the tax base in that province, any more than it is in at least seven of the provinces of Canada today, to finance on that tax base and have taxes anything like the level they are in Ontario or in British Columbia and to provide anything approaching equal services.

If we do mean that there is to be reasonable equality of opportunity in this country, if we do mean that Canadians are to have an equal chance wherever they live, it can only be done in one of two ways. One is by centralization, by providing all the functions from this parliament here in Ottawa, which we turned our backs on in the Liberal party in 1937 when the Rowell-Sirois commission was appointed—

Mr. Fleming (Eglinton): You turned back again later.

Mr. Pickersgill: —and the other is, by putting all the provinces in a position by the equalization of the main tax fields to perform those functions by themselves. I am very proud that I belong to a party and belonged to a government that, from the tax jungle of the 1930's, accomplished the equalization that we had accomplished by 1957, which Mr. St. Laurent indicated was not perfect but was better—and every premier agreed with that—than anything that had been suggested up until then. Every one of them agreed with that without exception. I am very proud that I was associated with that policy.

I was very pleased, genuinely pleased, when I went into the railway committee room that day in July, 1960, and heard the Prime Minister make the statement that is in our amendment. I was pleased because I thought, well, they have had some experience now and they have seen the light, they realize that this is a difficult problem and that, until something really better can be found, this is the best solution and I am going to praise them for it. That is what I intended to do until October. But I could not praise what happened in October any more than Mr. Roblin could, or any more than Mr. Stanfield could, or any more than Mr. Shaw could, or even any more than Mr. Frost could. As I say, it was because of this performance in October that we are debating this motion tonight.

Mr. Fleming (Eglinton): You have brought the same motion in year after year.

Mr. Pickersgill: If the government is prepared to go right back and say that they really, honestly meant, without equivocation, without interpretation, to carry out the plain words that the Prime Minister used in July, there will certainly be no criticism of the conduct of the government from me. But substitutes, ersatz things like growth factors and other phrases, such as equalization means fiscal need undefined, substitutes of that sort; birds in the bush that has not yet been cleared away in spite of the three and one half years of prodigious bushing are a very poor substitute for the bird in the hand that the provincial governments of this country have had since 1957 and that evidently, when the chips are down, none of them wants to lose.

Mr. R. S. MacLellan (Inverness-Richmond): Mr. Speaker, I presume that other hon. members were as much surprised as I was to see this amendment brought forward today by the opposition. Indeed, it seems to most hon. members, I am sure, as it does to me, that this whole amendment is a matter of great sound and fury signifying nothing.

Nothing was more obvious when the hon. member for Bonavista-Twillingate (Mr. Pickersgill) was speaking than that all he was doing was setting up a straw man to knock down. His proposition is that the government is not sincere in espousing the principle of equalization, when the facts are clear to everybody that the government has always espoused the principle of equalization. No matter how hard the hon. member for Bonavista-Twillingate tried he could not bring forward one shred of evidence to show that there was any question in anybody's mind about this.

Mr. Pickersgill: What about Mr. Roblin?

Mr. MacLellan: One thing in particular that surprised me was his reference to how happy he was in July, 1958 when he went into the railway committee room—

Mr. Pickersgill: It was in 1960.

Mr. MacLellan: —and heard the Prime Minister (Mr. Diefenbaker) there take a firm stand for the principle of equalization

without any equivocation. There has been equivocation since then. The debate this afternoon as far as the Liberal party is concerned was a matter of knocking down a straw man.

Again I was surprised to see this topic brought forward when it is remembered that in this particular field the record of the Liberal party is worse than it is in any other, and that is saying a lot. If there was one thing more than another which defeated the Liberal party in 1957, it was their record in the field of dominion-provincial relations. Many people would blame the very obvious reluctance on their part to pay a reasonable old age pension to the older citizens in Canada, or the way in which they trampled on parliament in the last days of their arrogant rule. But I believe more than anything else their record in the field of federal-provincial relations defeated the Liberal party in 1957.

In his speech the hon. member for Bonavista-Twillingate himself admitted that. "None of the provinces", he said, "was satisfied with the arrangements in 1957". Mr. Speaker, I would say that that was a masterpiece of understatement. Actually, what was their record in the year 1956 and before? The most common news items in the papers of those days were those of the provincial treasurers and premiers trekking to Ottawa to beg a few crumbs out of the great surpluses that the Liberal party were piling up in Ottawa to bolster their sagging treasuries. In every situation even though the treasurers of the provinces were very hard up, and their provinces going without much needed essential services, the Liberal government of that day refused and insulted the premiers and treasurers who came forward looking for funds.

This afternoon the Minister of Finance (Mr. Fleming) put on the record the comments of the premiers of Manitoba and Prince Edward Island, both Liberal premiers, in respect of the attitude of the Liberal administration of that day. Certainly in my own province of Nova Scotia there can be no question as to what the niggardly attitude of the previous administration meant to the people of the province. In 1956, and in the years before that, in Nova Scotia we had an educational system coming almost to the brink of collapse because the provincial treasury was too poor to provide decent salaries to the teachers and decent schools for children to be trained in, or proper educational facilities generally. We had a highway system growing at a snail's pace and far short of the traffic requirements. We saw social welfare slipping away behind. Indeed, in some of the Atlantic provinces we wondered at that time whether some of our governments might not be heading for bankruptcy in an attempt to provide essential services because of lack of help of any responsible nature from the federal government.

When the hon. member for Bonavista-Twillingate was speaking today, again speaking under the handicap that he did not have a shred of evidence to support the proposition he was putting forward—

Mr. Martineau: That would hardly stop him.

Mr. MacLellan: I have noticed, Mr. Speaker, that the louder and longer the tirade of the hon. member for Bonavista-Twillingate the weaker is his argument. Certainly if he proved anything this evening it was not that he really doubted that the government was questioning the principle or the application of the principle of equalization; no, it seemed that he was worried that there might be some possibility of a weakening in the process of centralization at Ottawa, which was the factor upon which the Liberals based their fundamental thinking and their entire philosophy as to federal-provincial relations. If everything could be gathered together at Ottawa and if Ottawa could be in complete control of the provincial treasuries and the financial systems of the provinces, that would suit the hon. member for Bonavista-Twillingate. That was the attitude of the administration of which he was a member a few years ago.

I should like to put on the record a few of the facts in relation to the record of the government in the field of dominion-provincial relations. Certainly it is a record of which the Conservative party, our Prime Minister, and his government can be very proud. In contrast to the days prior to 1957 when the treasury of my province of Nova Scotia was in such dire need, immediately after the government was elected in 1957 it called together the provincial treasurers and increased the provincial share of the income tax by 30 per cent, a very substantial increase. In addition, as has been said, it also provided $100 million over a four-year period in special grants for the development of the Atlantic provinces. When the Minister of Finance was speaking this afternoon he pointed out that between 1956-57 and 1960-61 contributions from the federal government to the provinces more than doubled. They increased from $689.4 million in 1956-57 to $1,300.9 million in 1960-61.

Perhaps more striking are the figures for Nova Scotia, which very much needed the transfusion that the Department of Finance provided in 1957-58 and following years. In 1956-57 unconditional grants to Nova Scotia

amounted to $24,628,000. By 1960-61 they had almost doubled to the amount of $42,246,000. Conditional grants grew from $4,819,000 in 1956-57 to $20,583,000 in 1960-61. In both cases the figures for 1960-61 are estimated figures. This is an increase in conditional grants of almost four and a half times in this very short period. The total increase in conditional and unconditional grants amounted to $33.4 million or well over 100 per cent.

Let me put these figures another way. The premier of Nova Scotia, speaking at Colchester on May 9, 1960, put the matter this way to show what increased federal help to Nova Scotia meant to us. He said:

> I ask you to note the difference between federal assistance given Nova Scotia with a Liberal government in Ottawa and the federal assistance under the present Conservative administrations here and in Ottawa. In the last three years Nova Scotia has received nearly $7 million more in trans-Canada highway grants. We have received $1,100,000 more for the development of our harbours and shipping facilities. We have received in excess of $9 million more for housing grants and loans. We have received in excess of $4 million more for general health grants, for existing health services, hospital construction, tuberculosis control, etc.
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> We have received nearly $6 million more in additional assistance for freight rates. We have received nearly $7 million more in coal subventions. We have received $3½ million more for power development. Our agricultural industry has received $700,000 more for farm improvement and other loans and in lime assistance. The federal government has made available $1½ million more in reclaiming and developing marshland areas in Nova Scotia. We have received $2½ million more in federal loans for new or expanding industries in Nova Scotia. These items alone represent the substantial total of nearly $42½ million...
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> But that figure represents only part of the difference... so far as federal assistance is concerned. We should add to that $42½ million another $30 million in special grants to Nova Scotia... And further to that the federal contribution made to our hospital insurance program, which runs to well over $7 million annually. In addition, the Diefenbaker government increased its rebates to the provinces from the tax rental agreements, which resulted in $7 million to the province of Nova Scotia.

This totals $86½ million more than was received by Nova Scotia in the last year of the Liberal administration. Yet that is the party that dares tonight to bring forth an amendment to question the work of this government in the field of federal-provincial relations.

What has this extra $86½ million meant in the province of Nova Scotia? One prime example of the progress we have seen in the province, partly as a result of this extra help, has been in the great highway building program. In four construction seasons the province of Nova Scotia will have hard-surfaced more miles than were previously done in all the years since the second world war. In 1956 the province of Nova Scotia had 2,003 miles of hard-surfaced road. By the end of 1960 it had more than 3,100 miles, a gain of almost 1,100 miles or more than half as much as was done in the whole previous 23 years. In addition, in the past three years the province of Nova Scotia has prepared 800 miles for paving compared with 296.7 miles in the previous three years. In the building of bridges the present administration of Nova Scotia, with this additional help from Ottawa, has built more bridges in three years than were constructed in the previous six years.

We have also seen a tremendous difference in education as a result of the extra transfusion from Ottawa in the last few years. The budget of the province of Nova Scotia in 1960 was nearly twice the budget of the last full year of the Liberal regime in the province, which was 1956. A program that would not have been possible without substantial extra taxation was accomplished in the province only because this nation had the sense to defeat the federal Liberal administration in 1957 and to elect a government that would heed the needs of the provinces and the provincial treasuries.

Indeed, in 1956 as a result of the Pottier royal commission in the province a report was brought in recommending the setting up of a new and improved educational system. It would have been impossible to implement this Pottier report without a sales tax had it not been for the election of the Diefenbaker government at Ottawa and the new and special financial assistance provided to the province of Nova Scotia as well as to the other provinces in the Atlantic area.

In 1956 there were 128 teachers in training in Nova Scotia's universities, only half the number required. Today there are 235 or an increase of almost 100 per cent. The enrolment of teachers in training in the normal college has increased by 50 per cent. We have today in the province of Nova Scotia an educational system which is so much better than that which obtained in 1956 that there is almost no room for comparison, and much of the credit is due to this government which has provided so generously the additional funds so badly needed.

Some mention has been made of the situation with regard to the finances of the municipalities. I could say something about the situation in the province of Nova Scotia which I think illustrates what is happening across the whole of Canada. It is striking to note the astounding increase in grants to municipalities which has been made possible by the greatly increased revenues of the province. In 1951 the Liberal administration increased grants to municipalities by $300,000. Later they provided a little help with the

rebate of the gasoline tax on certain municipally owned vehicles. But from 1951 until 1956 no increased aid whatever was provided to the hard-pressed municipalities in my province. Since 1957, the government of Nova Scotia, with the help of the increased revenues which it enjoyed as a result of the election of the present administration, was able to provide an annual sum of $3.5 million in direct grants to the municipalities of that province. This was in addition to the taking over of other burdens of the municipalities as a result of the hospitalization program and the welfare program generally.

I say again, Mr. Speaker, that it is rather shocking, with the record of the Liberal policy as bad as it was in this field, that they have brought up this amendment today. Particularly is this so when they have so little in the way of argument to support their rather obscure proposition.

In conclusion, I would say this in general on the matter of dominion-provincial relations: Nothing could be more striking than the difference which has been engendered in the Atlantic provinces as a result of the increased grants to those provinces. The level of standards in 1956 was becoming dangerously low in all fields, in education, highways and social welfare. Today we see an astounding change. We have a greatly improved highway program which has meant the earning of many more tourist dollars than formerly. We have healthier, better educated people in the Atlantic provinces now, which makes them not only better citizens of our region but, indeed, far better Canadians than they were before.

While I know the Minister of Finance has provided much of this extra assistance by way of deficit financing; while I realize he has shortened his own purse by assisting the provincial treasuries because he realized how badly they needed assistance, yet I would say to him there is no better contribution to the people of the nation than a contribution made to the provincial governments. The authority and responsibility of provincial governments is wide and most important. Without question the extra assistance given to my province along these lines in the future will do as much to bring us ahead as this extra money has in the past.

I was very pleased indeed to note that the special grants to the Atlantic provinces would be continued for another four years. With those grants we are building up a far better service level than we previously had. I would ask the Minister of Finance to find as much money as he can to continue that program. Nothing is more important than better highways and better schools and these cannot be provided in the Atlantic region without the continued assistance of the federal government. We are certainly very pleased with the extra assistance we have had so far. We wonder where we would be today if it were not for the defeat of the decadent Liberal administration of 1957 and the election of a government which would face up squarely to our problems. I would urge that this program be continued.

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I am sure that every member of this house is rather surprised to learn from the hon. member who has just resumed his seat that conditions are so good in Nova Scotia today. This is quite contrary to statements made in a speech delivered before a group of Conservative women right here in Ottawa on Friday last by one of his colleagues, the hon. member for Halifax (Mr. Morris). This hon. member stated publicly that conditions in Nova Scotia are bad.

The hon. member also stated that there has been no denial of the principle of equalization by the present government, and that the hon. member who moved the amendment, as well as the hon. member for Bonavista-Twillingate (Mr. Pickersgill), did not have any evidence to support their arguments. I know that the amendment introduced this afternoon by the hon. member for Richelieu-Vercheres (Mr. Cardin) is one which affects the needs of all parts of Canada. If the Minister of Finance (Mr. Fleming) had not tried to misrepresent our amendment I think we would be justified in saying that he gave his own version of the amendment which is quite different from ours.

The Minister of Finance, in his long and elaborate speech, said the present government had inherited an unholy mess in the federal-provincial field. We know also that the present government inherited a series of surpluses which have been turned into the worst series of deficits in the history of Canada. We know also that the present government inherited an unemployment insurance fund of $900 million, and that four months from now that fund will be completely depleted as a result of lack of leadership and mismanagement by this government. We know also that the present government inherited about 150,000 unemployed in the month of June, 1957. Since then the number of unemployed in this country has been at least two times, and in certain months three times as high as it was in any month under the previous administration.

We all agree that in order to achieve a high level of prosperity for all Canadians it is essential that the financial resources of the nation be available to provide the national government as well as provincial and municipal

governments with adequate revenues to support public services. The need for public services such as roads, schools and other services provided by provincial and municipal governments is increasing yearly and imposing additional demands on those governments. Our growing population in this modern world is demanding more and more assistance, more benefits and more protection against economic and social hazards.

In order to achieve national prosperity, which we also agree is essential to national unity, the Liberal party believes that the principle of equalization in federal-provincial tax arrangements must be upheld, and that Canadians from every part of the country must receive an equal share of the revenues derived from national economic activities. The position of the Conservative party, notwithstanding what was said this afternoon and earlier this evening by the Minister of Finance, is far from being clear and definite on matters of such vital importance as the welfare of our population in every section of the country from one coast to the other.

Reference has been made by the mover of the amendment now under discussion to the ambiguous and contradictory statements made by the present Prime Minister (Mr. Diefenbaker), first on July 25 last and then in October, to the provincial premiers who were convened at the last dominion-provincial conference. They were told then, notwithstanding the denials of the Minister of Finance, that the federal government was prepared to recommend to parliament that the federal tax rates in the three shared tax fields be reduced at the time of the termination of the present tax rental agreement, that is March 31, 1962, by the amount of the present standard rates, that is 14-9-50. I should like to quote the words of the Prime Minister, to which the Minister of Finance objected this afternoon, and I am quoting from a summary of suggestions made by the Prime Minister of Canada to the dominion-provincial conference on October 26, 1960. This document was made public following the Prime Minister's statement to the conference and was given to the press, so it is a public document. I am sure that the Prime Minister cannot deny that these are his exact words as reported in the statement which under his own instructions was handed to the press following that conference. Here are the Prime Minister's words:

> To meet the needs of the provinces with lower tax potential we would therefore ask parliament to provide equalization payments or their equivalent in a total amount of $220 million a year, which is approximately the scale of the payments this year.

[Mr. Robichaud.]

He went further when he said this:

> The amount so provided will take the place of the present equalization payments, the Atlantic provinces adjustment grants, and the special grants to Newfoundland under section 2 of the Newfoundland Additional Grants Act.

He went further and said this:

> Being mindful of the necessity of maintaining a reasonable level of public services in areas of low tax potential, we will ask parliament to provide this sum of money for equalization payments.

That is a total of $220 million a year. We were told this afternoon by the Minister of Finance that at no time were such proposals made by the Prime Minister. I have here, Mr. Speaker, the Concise Oxford dictionary. Under the word "suggest" I find this definition: Propose. I wonder whether there is so much difference between a proposal and a suggestion made by the Prime Minister.

Mr. Pickersgill: You can take a suggestion back more easily.

Mr. Robichaud: Probably so. The hon. member for Inverness-Richmond (Mr. MacLellan) said we had no reason whatsoever to doubt the Prime Minister's sincerity in maintaining the equalization principles. As to this offer that was made by the Prime Minister at the October conference, what would it mean to the various provinces? How would it affect those provinces such as the Atlantic provinces where the economic progress has been retarded by factors beyond the control of those provinces, with the result that the standard of living has fallen behind that of the rest of the country.

The freezing of the present equalization tax rate and the replacement of the present equalization payment to certain provinces including, to use the words of the Prime Minister himself, the Atlantic provinces, adjustment grants and the special grants to Newfoundland to a fixed sum of $220 million per year, as suggested to the provincial premiers in October last, is contrary to the principle of the equalization scheme. This is why we of the Liberal party felt that it was our duty to bring to the attention of the country the statement made by the Prime Minister and to object to the statement and to insist that the principle of equalization be maintained. No wonder the conference ended in failure and no wonder the premiers departed unhappy and dissatisfied and no wonder, Mr. Speaker, the Prime Minister and the Minister of Finance have now changed their minds.

In fact, to limit to $220 million a year the equalization payments to those provinces where the revenue yields are not sufficient to meet the needs of the provincial finance,

and to freeze such payments for a period of five years following March 31, 1962, is nothing else but a deliberate violation of a principle which has been accepted and recognized as just, equitable and practicable for the performance of those functions of national interest that are especially assigned to the federal government under our constitution.

However, I must admit that I am not at all surprised to hear such a proposal coming from the present Prime Minister. It is true—and I repeat this statement—that it is contradictory to the declaration he made on July 25 last when he said that the principle of equalization must be preserved and when he added that the federal government remains firmly committed to that principle. The Prime Minister knows, as does every Canadian taxpayer, that every dollar of federal revenue comes from the pockets of the Canadian taxpayer and that every dollar contributed by the federal treasury in stabilization or equalization payments is contributed by Canadian taxpayers.

As Mr. Harris said in his budget speech of March 14, 1957, as reported at page 2218 of *Hansard* of that date:

> Canadians living in Ontario pay exactly the same rates of tax as are applicable to all other Canadians, and Canadians living in Ontario derive their incomes in considerable part, directly or indirectly, from consumers and producers in other parts of Canada, just as Canadians elsewhere may derive part of their incomes from business activity that takes place in Ontario.

At no time should the federal government give thought to the idea of abandoning the objective of the tax rental agreements which make it possible for all provinces to perform their constitutional functions. The suggestion offered to the provinces by the Prime Minister in October last, namely the freezing of the equalization payments to $220 million, which was supported this afternoon by the Minister of Finance, was nothing else but an offer concealed by an artificial cloud or a smoke screen. It was strategy for a take it or leave it proposal.

If the present government was to remain in power for many years,—

Mr. Bell (Carleton): And it will do so.

Mr. Robichaud: The hon. member says "and it will do so". Time will tell. As I was saying, if the present government was to remain in power for many more years I can well understand how many of the provinces might feel that they are protected by a fixed equalization payment based on the present scale of payments for this year. We all know that during the 1950's, the annual output of the Canadian economy more than doubled in value, rising from $16 billion to $35 billion. The gross national product rose quite steeply in the years 1944-56, despite the short setback in the recession period of 1953-54. It is also a fact that real consumption per capita declined in 1957 and in 1958 and by 1959 it was only fractionally higher than it was in 1956; and this decline happened under a Conservative administration, that of the present government.

For the first nine months of 1960 total output was only 2.9 per cent higher than it was in the corresponding period in 1959, but almost half of this increase can be attributed to higher prices of consumer goods. Those figures cannot be denied because they have just been released in the report of the Canadian Bank of Commerce. Under the continuation of such conditions the suggestion of the Prime Minister might be considered as acceptable to certain provinces. But every right thinking Canadian knows that this government has lost the confidence of the people.

Some hon. Members: Oh, oh.

Mr. Robichaud: This government has reached the point where we are back to the Bennett days, where soup lines are being introduced, where surplus food products are being offered to the unemployed.

Mr. Martineau: Mr. Speaker, I rise on a point of order. Although we are now discussing an amendment proposed by our friends opposite concerning federal-provincial relations, the hon. member is now embarking on a complete side issue. Under the circumstances I think the rules should be observed.

Mr. Robichaud: If I may be allowed to do so, I should like to speak to the point of order, Mr. Speaker. I am speaking of the national growth of this country. We know that the tax ratio is being based on the gross national income. We know that the gross national income has an effect on the taxes and on the grants that would be made to the provinces. If the gross national product remains at the present level it would mean that this government will be limited to making payments which were about the equal of what they have been in the last fiscal year.

So I feel that my remarks are absolutely related, just as much as the remarks made by the Minister of Finance, who went far afield and spoke of national defence and so forth. The Canadian public is aware that this government lacks the leadership that is required to maintain the growth which prevailed in the last decade, in most of the 1950's under a Liberal government and which has practically reached a stalemate in the last three years since the present government took office.

Mr. Bell (Carleton): That is just fantasy.

Mr. Robichaud: It is no wonder that the apparent failure of activity to increase at the

pace to which business has become accustomed has raised many questions and is causing so much concern in our country at the present time.

As I said earlier, the suggestion of the Prime Minister could be acceptable to certain provinces if, and only if, his government were to remain in office for the next five years; but we all know that such will not be the case.

An hon. Member: It will.

Mr. Robichaud: Look at the Gallup poll that came out last Saturday. I am sure it gave you reason to worry.

The decade of the 1960's, which has begun on a far less expansive note than marked the beginning of the 1950's will, under a new Liberal administration, and very soon, regain its momentum and mark once more a period of progress and prosperity, a period where the growth of the richer provinces will enable the federal government to help proportionately, and on an equal basis, the poorer ones. This is why most of the provinces, and the Atlantic provinces in particular, cannot accept the Prime Minister's suggestion that the provinces be frozen at the 1960 level—

Mr. Nowlan: Mr. Speaker, would the hon. member permit a question. Will he tell me what the Atlantic provinces are getting under this decadent and failing government compared to the powerful and prosperous government which was defeated on June 21, 1957.

Mr. Robichaud: Under the present government the Atlantic provinces are in a worse position today than they have been for years. In the Atlantic provinces the number of unemployed today is over 15 per cent of the labour force.

Mr. Nowlan: The hon. member needs to call a psychiatrist. I will not say the hon. member is falsifying, but he needs a psychiatrist.

Mr. Robichaud: If a psychiatrist be needed I think he could be used on many of the members opposite. That is the situation in the Atlantic provinces today, and I would refer the minister to the situation in Pictou, and everywhere in the Cape Breton area. I know the hon. members opposite cannot keep quiet, because it hurts them to hear these things.

Under the Liberal principle the provinces were protected in case of inflation, while under the proposal made by the Prime Minister in October last—a proposal which he has amended and changed today—the dollar value of the federal payment will shrink by the full amount of such inflation. Such a proposal, if accepted, could destroy the progress made in the federal-provincial tax-sharing field following the recommendations of the Rowell-Sirois commission of 1937, and the provinces will be compelled to return to the strangling position they were in during the early 1930's in the days of the Bennett regime.

For a sound economy it is important to retain the principle of equalization and also the related principle of stabilization. As I said earlier there is no decrease in the needs for roads, schools and other essential public services provided by provinces and municipalities. Under our constitution it is the responsibility of the federal government to protect the provinces against any serious decline in their revenues from the sharing of taxes.

Our provinces, and our municipalities in particular, are being called upon to undertake capital projects which come within their jurisdiction and responsibility as a fundamental part of our Canadian federation. It is only logical to presume that reasonable men willing and desirous of living in a federation might agree to consider their common fiscal and administrative woes and make every effort to provide a series of working ideas.

This is where lies, and must be retained, the principle of equalization. The need for additional revenues for our municipalities is an urgent one and no one can deny that in order to discharge their constitutional responsibilities our municipalities must have adequate sources of revenue. Everyone must also admit that if the municipalities must exercise their functions under the terms of confederation there should also be in existence a system that would tend to preserve Canadian unity, and not a system that would discriminate against a certain group of Canadians because they happen to reside in certain areas where the standard of living and the economic growth is lagging behind, as compared with that of other sections of the country.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, could the house leader let us know what the program is for the rest of the week.

Mr. Churchill: Tomorrow we have the continuation of this debate. On Wednesday we will resume the debate on the motion of the Minister of National Revenue to set up a special committee on broadcasting. That will be followed by the budget resolutions. I judge that would carry over Wednesday and Thursday. If we do not complete the budget resolutions on Thursday, we will finish them on Friday. If we complete them on Thursday, on Friday we will take the estimates of one of the departments, which I will announce tomorrow night.

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

ANSWERS TO QUESTIONS

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

FEDERAL ASSISTANCE TO CANADIAN PREPARED FOOD EXPORTS

Question No. 84—**Mr. Martin (Essex East):**

Questions

1. Has the Department of Trade and Commerce been requested to assist a Canadian food manufacturer in Windsor, Ontario, in his efforts to export Chinese-type prepared foods to the United States?
2. If so: (a) have representations been addressed directly to the minister in this matter by the manufacturer himself or by any body acting on his behalf? (b) has any progress been made in negotiations with the United States government or any of its agencies in this regard? (c) has any agreement yet been reached to permit this Canadian food manufacturer to export his product?

Answer by: **Hon. George H. Hees (Minister of Trade and Commerce):**

1. Yes.

2. (a) Yes. (b) Yes. (c) Yes. An agreement has now been signed by the Canadian embassy in Washington and the competent U.S. authority. The agreement will take effect when notice of it has been published in the United States federal register. That publication should take place on February 1, enabling the Windsor manufacturer to begin exporting to the United States as of that day.

FEDERAL PREVAILING RATE EMPLOYEES

Question No. 85—**Mr. Peters:**

Questions

1. What is the basis for determining terms and conditions of work for prevailing rate of pay employees in the government service?
2. What is the role of the prevailing rate advisory committee?
3. Who are its members and what are their positions in the federal government service?
4. Why are prevailing rate of pay employees required to take the first day of sick leave without pay?
5. During the month of December, did the minister receive representations on behalf of these employees from any staff association?
6. If so: (a) what association made these representations? (b) does the government contemplate changing its policy in this?

Answer by: **Hon. Donald M. Fleming (Minister of Finance):**

1. Terms and conditions of work for prevailing rate employees are determined on the basis of information provided by the Department of Labour resulting from surveys of current practices in outside employment.

2. The prevailing rate advisory committee provides advice to the treasury board on matters pertaining to working conditions of employees under the prevailing rate employees general regulations, ships' officers regulations, and ships' crews regulations.

3. A. R. K. Anderson, superintendent of civilian personnel, Department of National Defence; J. R. Baxter, director of administration and personnel services, Department of Transport; Charles Caron, treasury board staff; A. Gagnon, treasury board staff; R. J. Groves, director, organization and personnel, Department of Agriculture; J. F. Maxwell, chief, personnel branch, Department of Public Works; K. R. Scobie, director of pay and standards branch, civil service commission; Bernard Wilson, director, industrial relations branch, Department of Labour.

4. A waiting period for sickness benefits is the current practice in outside employment.

5. Yes.

6. (a) The civil service association of Canada. (b) It is not the practice of the government to reveal information on policy matters.

HOUSE OF COMMONS

Tuesday, January 31, 1961

The house met at 2.30 p.m.

STANDING ORDERS

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Miss Margaret Aitken (York-Humber) presented the first report of the special committee on standing orders, and moved that the report be concurred in.

Motion agreed to.

WAR MEASURES ACT

AMENDMENTS RESPECTING TREATMENT OF CANADIAN CITIZENS

Hon. Paul Martin (Essex East) moved for leave to introduce Bill No. C-62, to amend the War Measures Act.

Some hon. Members: Explain.

Mr. Martin (Essex East): This bill, Mr. Speaker, seeks to do what the government said it would do itself this session—

Mr. Fleming (Eglinton): And therefore is unnecessary.

Mr. Martin (Essex East): —but, as usual, the opposition has to do the things which the government has promised to do. It is hoped that if the government itself takes action in this matter it will be as a result of this prompting by the Liberal opposition.

Mr. Speaker: Order. The motion is not debatable, and the hon. member is given leave to explain the purport of the bill rather than to debate it.

Mr. Martin (Essex East): I was moved to give this clarification by the benevolent and kindly intervention of the Minister of Finance.

This bill seeks to provide for an amendment to the War Measures Act to bring that act into a position consistent with the bill of rights passed by this parliament at the last session, a bill that was considerably improved as a result of the contributions made by the opposition.

Motion agreed to and bill read the first time.

EXPROPRIATION ACT

AMENDMENT REQUIRING NOTICE TO ALL INTERESTED PARTIES

Hon. Paul Martin (Essex East) moved for leave to introduce Bill No. C-63, to amend the Expropriation Act.

Some hon. Members: Explain.

Mr. Fleming (Eglinton): Spare us the explanation.

Mr. Martin (Essex East): Mr. Speaker, the Minister of Finance (Mr. Fleming) would be among those who would require an explanation, and I am very happy to give it to him.

Mr. Fleming (Eglinton): I asked you to spare us the explanation.

Mr. Martin (Essex East): This bill likewise seeks to remove from the Expropriation Act provisions that are contrary to the bill of rights passed by this parliament last session.

Motion agreed to and bill read the first time.

NATIONAL DEFENCE

REPORTED STATEMENT BY MINISTER—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I ask leave to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the unprecedented appeal of the Minister of National Defence (Mr. Harkness) to officers of the armed services, to use the words of one newspaper and two television reporters, to "dip their feet" in politics by fighting ban the bomb movements in Canada.

Under ordinary circumstances the differences on the use of nuclear weapons might well have waited for an airing until the estimates of either of the two conflicting departments on this matter were before the house. But an immediate debate has been made essential by this attempt by the Minister of National Defence to break with tradition, in that an appeal has now been made to our own armed services to participate in what is today a political issue in Canada.

National Defence Statement

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, in view of the remarks just made on this, as I think, unprecedented motion on the part of the hon. member, I feel that I perhaps should say a word or two. On Saturday night I spoke to—

Mr. Speaker: Order. The hon. member may rise on a matter of privilege, if there is one involved, or he may rise to assist the Chair in determining whether it is a definite matter of urgent public importance.

Mr. Harkness: Mr. Speaker, I think it is both a matter of privilege and a matter of assisting you in determining the matter of urgent public importance. The two of them work together, as it happens, in this particular case.

Mr. Speaker: I will hear the hon. member on the matter of privilege first, if there is one.

Mr. Harkness: On Saturday night, Mr. Speaker, I attended a mess dinner at H.M.C.S. *Carleton* at which I made a few brief remarks. The writer of the article to which the hon. member refers was not present at this dinner, nor were any other reporters present. I think the writer of the article has come to some conclusions and made some assertions here which are completely unwarranted by anything I said at this mess dinner.

From reading this article one would think I had devoted myself chiefly to discussion of nuclear arms and nuclear armaments. As a matter of fact I did not mention the matter of nuclear armaments at all, and I did not have them in mind at all. Therefore the assertions which are made in this article on that score, and the assertion that I was inviting reserve officers to dip their feet in politics are without any warrant or any background whatever. It was the last thing in my mind and, I am sure, in the minds of any of the officers who were present at this dinner. In view of these circumstances, Mr. Speaker—

Mr. Speaker: The substance of the matter of privilege which the minister raises is that the alleged episode has been misreported, as I understand it. Am I to understand from him that the reports on which this motion is based are not in accordance with the facts?

Mr. Harkness: Yes, Mr. Speaker.

Mr. Regier: May I, Mr. Speaker, make an observation on the question of privilege raised by the minister? I believe you will note that the minister has not denied that he has invited the armed services to participate in a campaign against ban the bomb movements in Canada. The minister carefully avoided a denial of that fact.

[Mr. Regier.]

Mr. Harkness: In connection with this point, Mr. Speaker, may I say that what I did in this speech was to state—and I am prepared to state it again now—that there is a considerable amount of propaganda of a neutralist and pacifist type; and by "pacifist" I mean in favour of unilateral disarmament and so forth. A considerable number of people who are putting forward that propaganda are taking part in ban the bomb movements, putting advertisements in newspapers, engaging in marches, and things along that line. In my opinion their purpose in doing this is to undermine the will of the Canadian people to resist aggression and to weaken Canadian defence efforts.

Mr. Speaker: Order. I think if I allowed the minister to go further we would in effect be debating the matter for which the hon. member seeks to move the adjournment of the house. The minister has raised, as a matter of privilege, the accuracy of the report. It remains for me to consider whether this request for leave to move the adjournment of the house under standing order 26 comes with the rule.

There are two difficulties that seem to me to stand in the way of the hon. member's request. Standing order 26, subparagraph 1 reads as follows:

> Leave to make a motion for the adjournment of the house when made for the purpose of discussing a definite matter of urgent public importance must be asked after starred questions on Wednesdays and on other days after the ordinary daily routine of business—

I have very serious doubts whether this is a definite matter of urgent public importance. The request is based on some remarks alleged to have been made by the minister during a speech at a private dinner, and not in the exercise of any administrative function of the minister. Standing order 26 has been invoked only to deal with administrative responsibility and acts of the government. Therefore I think that on those two grounds this motion is scarcely within standing order 26. I do not find here a definite matter of urgent public importance. A remark made in the course of a speech at a private dinner seems to me not the kind of urgent matter for which this rule was devised so as to permit the house to interrupt all other proceedings for the purpose of considering that definite matter of urgent public importance. The other question is whether the matter alleged is an administrative responsibility or act.

Having said that much, there is another difficulty. We are today embarked upon a supply motion which is governed by standing order 56, which calls upon the house to vote in the course of this debate at 8.15 o'clock

this evening. If I permitted this proposed debate to go on, how could this house comply with standing order 56, which calls for a vote on this motion at 8.15 p.m., if the debate on the motion to adjourn the house were still continuing? It seems to me there is a conflict here of procedure. It is perhaps unnecessary to resolve it, because on other grounds already stated, I do not think this request for leave to move the adjournment of the house can be granted.

There are these difficulties. The two rules, standing as they do, would prevent standing order 26 being used in the course of debate on a supply motion. If the hon. member who made the request wishes to be heard on the two points on which I find against him, I will be glad to hear him. Otherwise I do not find the rule has been satisfied.

AIRPORTS

DORVAL—ORDER IN COUNCIL RESPECTING HANDLING OF LUGGAGE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport, and ask whether the minister gave directions to Sky-Caps Incorporated at Dorval airport to stop handling passengers' luggage; and is it a fact that this cannot be done without the minister's permission, in accordance with the so-called order in council dealing with the matter?

Hon. Leon Balcer (Minister of Transport): For a number of years prior to the opening of the new terminal building in Montreal in December last, porter service was provided under an arrangement made between T.C.A., on its own behalf and on behalf of certain other air lines, and Murray Hill Limousine Service Limited. Payments were made by the air lines concerned to Murray Hill Limousine Service Limited in consideration of which the latter maintained a porter service for the general public with particular regard to the requirements of the air lines.

Some time prior to the move to the new terminal building, discussions were entered into between T.C.A. and Murray Hill, on behalf of T.C.A. and the other air lines concerned, with respect to the provision of an enlarged porter service at the new terminal. In view of the substantial increase in the number of porters and the consequential increase in the cost of providing the service, alternative means of paying for the service were discussed, and an arrangement was made between the air lines concerned and Murray Hill for the adoption of a new system under which baggage checks would be issued to members of the public and a modest charge made for the service. I am informed that this is similar to systems used elsewhere, and particularly in the New York area in respect of porter services at railway and bus stations and, I believe, New York international airport, which have proved to be very satisfactory. One particular advantage is that it minimizes the possibility of lost baggage and facilitates its recovery if mislaid.

In or about November last, as a result of differences which had arisen between Murray Hill and the porters, the services of the porters were terminated and a new group of porters was hired by Murray Hill. At the same time a couple of other groups started operating their own porter services and proceeded to offer their services to members of the public using the airport. This led to confusion and a deterioration of the service. It proved very unsatisfactory, and something had to be done to restore order on the premises of the new airport.

My officials had always assumed that the department had adequate authority to control activities at airports, but in view of the serious aspects of this situation they sought the advice of the Department of Justice, and as a result new regulations entitled "Government airport concession operations regulations" were drafted and approved by the governor in council and promulgated in the *Canada Gazette* on January 11, 1961. These regulations prohibit the carrying on of any business, including the provision of services, on government airports without the authority of the minister, and provide penalties for infractions.

These new regulations are now in force and Murray Hill has been authorized, in accordance with their provisions, to operate the porter service in accordance with the original plan and in accordance with their contract with the air lines, and they were authorized to start this new arrangement commencing February 1, 1961. The unauthorized porters have been served with copies of the regulations and notified that they will not be allowed to operate, commencing tomorrow, February 1.

Murray Hill has stated that it will employ both coloured and white porters and will reemploy any previously employed porters whose work had been satisfactory.

Under the new arrangement Murray Hill will provide a complete service designed to meet the requirements of both the general public and the air lines. The porters will be paid the minimum wage, which I understand in this case would amount to about $35 a week, together with 10 cents on every 25 cent baggage ticket issued, in addition to any tips they might receive. A locker room has been provided by Murray Hill for the porters; telephones have been installed at key points

to ensure more effective control, and there will be adequate and competent supervision on a 24-hour basis.

The new arrangement has been authorized on a trial basis for a period of six months. At the end of that time a full report of the operation will be reviewed by departmental officials.

Mr. Chevrier: A supplementary question. Is the minister aware of the judgment of the superior court of the province of Quebec authorizing Sky-Caps Incorporated to do this carrying of luggage in competition with any other groups? Has he given any consideration to the fact that the order in council is opposed to the judgment of the superior court of the province?

Mr. Balcer: Mr. Speaker, these matters have been studied very carefully by the legal officers of my department. Of course we do not want to interfere with the ordinary legal rights of the parties in this dispute. The only thing we are doing at the present time is to give effect to an arrangement which has been made between the air lines, the T.C.A. on their own behalf and on behalf of the other air lines, so that a decent service can be given to the public.

As far as the labour problems between Murray Hill and the former sky-caps are concerned, this is a matter for the two parties to fight out between themselves. As far as the department is concerned we could not allow different people to run their own private porter services nor could we allow any individual to walk on the premises of the department and start carrying baggage without proper liability insurance and without proper protection for the public.

Mr. Chevrier: What happens to the rights of those people which have been guaranteed by the judgment of the superior court, and which are now taken away by order in council.

Some hon. Members: Order. Put it on the order paper.

Mr. Speaker: I think the questions are now verging on opinions on a legal problem, if the hon. member will permit me to say so, and we have had pretty substantial discussion on the subject. It can be dealt with more effectively on the estimates.

Mr. Chevrier: What about the bill of rights?

UNITED NATIONS

CANADIAN PREPARATION FOR MEETING OF GENERAL ASSEMBLY

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Secretary of State for External Affairs. Is the minister now in a position to inform the house whether studies are continuing in his department, preparatory to the reconvening of the fifteenth general assembly of the United Nations, to carry forward the proposals which he made in the No. 1 committee in November and December, calling for a cessation of nuclear tests and no expansion of the nuclear club?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the hon. member has mixed up two or three issues which we were dealing with at the United Nations. The fact is that preparations are under way now in the department for the resumed sitting of the United Nations.

Mr. Winch: A supplementary question. Can the minister advise us whether, in the continuing study, there is to be any change in the policy which he enunciated at the United Nations in November and December?

Mr. Speaker: Order. On a supplementary question the hon. member is asking the minister to declare a change in policy in a rather broad field.

Mr. Winch: In view of the statement of the minister my question was, is there any change in the policy on the cessation of nuclear tests and non-expansion of the nuclear club?

Mr. Green: If there are any changes they will be announced in the house in due course.

Mr. Winch: Have you heard from the Minister of National Defence on these matters?

CONGO—ALLEGED SEEKING OF OUTSIDE MILITARY AID

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Secretary of State for External Affairs. Would the minister care to comment on the press report that President Kasavubu is seeking military aid outside of the United Nations? Would he comment also on the report that Belgium is organizing a foreign legion to battle the pro-Lumumba forces?

Hon. Howard C. Green (Secretary of State for External Affairs): I could not comment on this statement. I did read the press dispatch myself, but I think this was not a statement addressed to the United Nations by Kasavubu. I believe it was reported as a statement he had made to some reporter or some other person in the Congo.

There is no evidence that Belgium is recruiting a foreign legion.

CONGO—REPORTED REQUEST FOR CONTRIBUTIONS OF FOOD

On the orders of the day:

Mr. Hazen Argue (Assiniboia): May I ask a supplementary question on the Congo situation. Is the minister able to inform the house whether or not Canada has made a decision on the request for the provision of food to the Congo?

Hon. Howard C. Green (Secretary of State for External Affairs): I am not yet in a position to make a statement on that question.

Mr. Argue: Has a decision been made?

PRIVILEGE

MR. MORRIS—REFERENCE TO REMARKS IN DEBATE ON JANUARY 30

On the orders of the day:

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, before the house resumes the supply motion debate may I speak to a point of personal privilege. I was required to be absent from the chamber last evening, as I am sure occasionally happens with other hon. members, by the visit of constituents on important business. I could not therefore be present when the hon. member for Gloucester (Mr. Robichaud) enlightened us in the debate. On reading *Hansard* this morning I found that in reference to a fine speech by my colleague the hon. member for Inverness-Richmond (Mr. MacLellan)—perhaps I can quote the remarks of the hon member for Gloucester—

Some hon. Members: Order.

Mr. Speaker: Will the hon. member state the matter of privilege before he begins to elaborate? So far there does not appear to be any matter of privilege.

Mr. Morris: The question of privilege arises out of an assertion and asservation made by the hon. member for Gloucester on a matter of which he could have no personal knowledge. He said that I stated publicly before a group of Conservative women right here in Ottawa last Friday—actually it was Wednesday—

That conditions in Nova Scotia are bad.

My question of privilege is that the hon. gentleman, understandably—

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

Some hon. Members: Sit down.

Mr. Speaker: The hon. member for Laurier.

Mr. Chevrier: I submit to you with deference, sir, that the procedure which is being followed—

Some hon. Members: Order.

Mr. Speaker: Order. Is the hon. member rising on a point of order or speaking to the question of privilege?

Mr. Chevrier: I am rising on a point of order to indicate to you, sir, that this procedure which is being followed by the hon. member is entirely irregular because there are debates which take place from time to time, on the budget, on the speech from the throne, or on a motion to go into supply when statements are made which may be inaccurate. I think there are opportunities when objection can be taken—

Some hon. Members: Sit down.

Mr. Speaker: I am sure what the hon. member says is so, but when a question of privilege is raised it is the responsibility of the Chair to determine whether or not there is a prima facie matter of privilege. In order to do that I must, of course, hear what the hon. member has to say. In what he had said up to the time I interrupted him he had not got to the point. I am not satisfied that the hon. member for Halifax should be interrupted until it is apparent that he has or has not a matter of personal privilege.

Mr. Morris: Mr. Speaker, if the opposition do not want to hear the facts—

Mr. Speaker: Order. Before the hon. member resumes, may I say that if he has been misreported by any member in the house he may state the facts simply, and that would satisfy the question of privilege.

Mr. Morris: With every respect, that is what I am endeavouring to do, to point out that the hon. gentleman asserts that I said things which he is not capable of asserting. This is a quotation from an erroneous newspaper report. What I said was that conditions in Nova Scotia were bad, and I underline "were" but that matters had improved since June, 1957. I intend to repeat the speech later this week.

Mr. Chevrier: I now rise on a point of order to say to you with deference, sir, that the hon. member has taken this occasion to do something which, in my opinion, he has no right to do under the rules. He could have done it either by taking part in the debate or on some other occasion. As far as I can see there is no privilege involved in the statement made by the hon. member.

Mr. H. J. Robichaud (Gloucester): Since my name was brought into this question of privilege raised by the hon. member for Halifax, I wish to place on record the reference from which I took the statement I made last night. It was from the Ottawa *Citizen* of Saturday—

Mr. Morris: I rise on a point of order.

Mr. Speaker: Order. The hon. member for Gloucester knows the rule. When a member states in his place that certain facts pertaining to him are so, his duty as a member of the house is to accept the word of the hon. member and not to seek to controvert it. I suppose there is no reason why the hon. member should not indicate how he came to make the assertion which has been complained of; but when a statement has been made by an hon. member it then is for the house to accept that statement unless there is a procedure taken to deal with the matter.

Hon. Paul Martin (Essex East): Mr. Speaker, may I suggest to you with great respect that your statement of the rule is not perhaps fully in accord with what the rule seeks to do. If an hon. member makes a statement to which another hon. member takes exception and raises a question of privilege, it is the duty of all hon. members to accept the statement of the aggrieved member provided the person who makes the initial statement feels that he is not in a position to controvert the grounds on which the statement of the aggrieved member is made.

Some hon. Members: No, no.

Mr. Martin (Essex East): The hon. member is not accepting the statement made by the hon. member for Halifax, and he is seeking to establish justification for the statement he has made. After that statement has been made by the hon. member I think it would then be open to Your Honour to take the position you have outlined, but surely the hon. member for Gloucester is perfectly justified in saying that he does not accept the statement made by the hon. member and then give his reasons.

Some hon. Members: No, no.

Mr. Speaker: I think the hon. member for Essex East perhaps has a point but it might better be expressed in this way: "I accept the statement of the hon. member but there are these circumstances which seem to justify my comment." I do not think any member has to sit down when he feels that there is something to be said, but in the final analysis if a member makes a statement on his honour from his place in the chamber with regard to a matter which is within the knowledge of the member speaking, that statement must be accepted by the house. Unless some hon. member wishes to set the hon. member for Essex East and myself right, I might hear the hon. member for Gloucester.

Mr. Robichaud: Mr. Speaker, I was just about to say that I was prepared to accept the statement made by the hon. member for Halifax. However, as he said that I had no personal knowledge of what was said by him at the meeting, I think I have the right to refer to the article.

Some hon. Members: No, no.

Hon. Gordon Churchill (Minister of Veterans Affairs): On a point of order, Mr. Speaker, I think the hon. member is going a little far afield. The hon. member for Gloucester has now admitted that he was not present at the meeting and therefore has no personal knowledge of what was said by the hon. member for Halifax. Nevertheless he wishes to read a statement from a newspaper which the hon. member for Halifax has already declared to be erroneous.

Mr. Robichaud: Maybe he is following your example.

Mr. Churchill: I submit, Mr. Speaker, that this is carrying things too far.

Mr. Speaker: The hon. member for Gloucester has said that he accepts the statement of the hon. member for Halifax with respect to what he said, and has indicated that the reason for his making the remarks he did make was a newspaper report. I follow him that far and up to that point I consider it proper comment and quite in order, but I think he should not read the report.

EXTERNAL AFFAIRS

POLAND—STATEMENT ON RELEASE OF CANADIAN CITIZEN

On the orders of the day:

Mr. Arthur Smith (Calgary South): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he can give the house any information or make a report on the arrest of a Canadian citizen in Poland, Mr. Tadeusz Koyer.

Hon. Howard C. Green (Secretary of State for External Affairs): Yes, Mr. Speaker. The house will recall from statements made by the Prime Minister on November 28 and December 1 last that Mr. Tadeusz Koyer, a Canadian citizen of Polish birth, was arrested last summer while paying a private visit to his family in Poland. The investigation has been going on since that time. According to a brief telegram received today from our embassy in Poland, Mr. Koyer was released on Saturday and will be returned to Canada this week.

When this matter was raised previously in the house, occasion was taken to note that the Polish authorities had been co-operative in allowing our consul in Warsaw to interview Mr. Koyer. At this time, in addition to expressing my pleasure at the recent news, I

should like to note again the correctness of the Polish attitude in the handling of this matter.

COMBINES

BRITISH COLUMBIA SUGAR—INQUIRY AS TO ABANDONMENT OF APPEAL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Justice whether the government has abandoned the appeal to the court of appeal of Manitoba in the British Columbia Sugar Refining Company case and, if so, why.

Hon. E. D. Fulton (Minister of Justice): Yes, Mr. Speaker. Notice of abandonment of the appeal was entered in the court in Winnipeg on Friday of last week, I believe. Briefly stated, the reasons are that the trial judge had made certain findings of fact adverse to the crown's case, and had come to the conclusion that the crown had not satisfied him beyond a reasonable doubt with respect to the effects of the merger upon competition necessary to be established in order for the prosecution to succeed. After discussing with very eminent and learned counsel the advisability of appeal in the light of the above findings, I came to the conclusion that the appeal should not be proceeded with.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask a supplementary question. In view of this decision, coupled with the supreme court decision in the other merger case involving breweries, does this not provide justification for amending the merger section of the act in order to make it more effective?

Mr. Speaker: Order. The hon. member is seeking to present an argument under the guise of asking a supplementary question.

IMMIGRATION

INQUIRY AS TO SPEECH BY MINISTER AT GUELPH, ONT.

On the orders of the day:

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. When the minister spoke at Guelph last week to the graduate students of the Ontario Agricultural College did she state the government's present policy on immigration or did she announce new government policy?

Some hon. Members: Oh, oh.

An hon. Member: Where were you yesterday?

Mr. Grafftey: A Tuesday to Thursday member.

Mr. Crestohl: Mr. Speaker, if hon. members will let me finish, I have not questioned the minister's denial. I am making no reference to the denial or what was said or was not said. I am merely asking whether she was stating present government policy or was announcing new government policy. Second, in the interests of knowing precisely what did happen, would the minister be good enough to table the text of her address?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I am glad to see that my hon. friend has returned to the house. If he had read my statement of yesterday he would have realized that I offered therein to make the address available, as it is public property. So far as the first part of his question is concerned, I was describing current government policy.

Hon. Lionel Chevrier (Laurier): On a question of privilege, Mr. Speaker, emanating out of the same subject matter raised by the hon. member for Halifax, I think it is not proper for one member of the house to say to another member that he has been absent from the house.

Some hon. Members: Oh, oh.

An hon. Member: Where is your leader?

Mr. Speaker: Order. Hon. members cannot settle anything by noise, and I should like to hear what the hon. member for Laurier has to say.

Mr. Chevrier: What I should like to say, if I am going to be allowed to say it, is that no member is more assiduous in being in his place than the hon. member for Cartier.

Mr. Speaker: I question that any matter of privilege arises, and I say that with all due respect to the hon. member for Laurier and hon. members of the house who may consider that it is not appropriate or in good form, shall I say, to draw attention to the fact that a member is absent. It is common practice in the house to refer to the absence of members, particularly from the opposite side, and if this is to be raised as a question of privilege I will have to have some more substantial precedent to follow.

FISHERIES

BRITISH COLUMBIA—REPORTED HARMFUL ALGAE IN KOOTENAY LAKE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the less thin-skinned member for Kootenay West wishes to address a question to the Minister of Northern Affairs and

National Resources. Has the minister received a request from Kootenay rod and gun clubs for his co-operation in a study by a liminologist of certain undesirable algae that have appeared in Kootenay lake since 1957 and are causing damage to the world famous Kootenay trout?

Mr. Speaker: Order. I take it that the hon. member has given notice, but the question in its context discloses no urgency, because I understand that the activities of the algae or whatever they are have probably been going on constantly since the formation of the Kootenay lakes. However, I see that the minister is prepared to reply.

Mr. Herridge: Mr. Speaker, there is more to this than appears on the surface.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): The hon. member was kind enough to give me notice of his intention to ask this question. I have no personal knowledge of any such query, and neither have any of the officials of the department.

(Translation):

LABOUR CONDITIONS

UNEMPLOYMENT—REPORTED STATEMENT BY SECRETARY OF STATE

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to put a question to the Secretary of State (Mr. Dorion).

Is it true that last Sunday evening the Secretary of State stated over the French television network that the percentage of unemployed was lower in Canada than in the United States?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I do not recall making any such statement. I might have said something along that line, but certainly not in those terms.

Mr. Deschatelets: A supplementary question, Mr. Speaker. Could he tell us exactly what he did say, over the T.V., about unemployment?

(Text):

Mr. Speaker: I am sorry, but I cannot accept the hon. member's invitation in his supplementary question to ask the minister to repeat a speech made on television. It is true that the minister's administrative acts are open to question on orders of the day, but I doubt that the speech made comes within the category of a question relating to administrative action.

(Translation):

Mr. Dorion: In his own interest, the hon. member should listen to what I say; I think he could only gain by doing so.

THE CENSUS

REFERENCE TO REPORTED STATEMENT BY SECRETARY OF STATE

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I address a question to the Secretary of State (Mr. Dorion)?

Last Sunday, on television, the Secretary of State said that the census questionnaire will correct the 1951 questionnaire, not to mention the correction made in that of 1960.

Could the Secretary of State explain to the house how that questionnaire will correct the 1951 questionnaire and the one drafted in 1960 on instructions given by this government?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I do not know to what extent I can take it upon myself to answer this question, since the matter comes directly under the Department of Trade and Commerce. Last Sunday, I did refer to the matter on television, but I think this is a problem which comes under the Department of Trade and Commerce. I would not want to assume powers which are not rightly mine but, with that reservation, I am prepared to answer the hon. member's question.

Mr. Denis: Mr. Speaker, I would like to ask a supplementary question.

Would the Secretary of State explain to the house—

Mr. Dorion: I think it rests with Mr. Speaker to rule whether it comes within my province to answer that question.

Mr. Denis: I do not think Mr. Speaker needs any advice from the Secretary of State to decide what he has to do; he is quite familiar with his duties.

As a supplementary question further to the reply of the Secretary of State, and if in his opinion this matter now comes under another department, may I ask him why he talked about it when he appeared on television last Sunday?

Some hon. Members: Order. Order.

Mr. Dorion: If one had to speak only of matters coming under one's responsibility, I think the hon. member—

(Text):

Mr. Speaker: Order. It seems to me we are engaged in a futile series of questions which do not relate to the responsibilities of the particular minister involved.

(Translation):

SECRETARY OF STATE

REPORTED SENDING OUT OF ELECTION MATERIAL

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wish to ask a question of the Secretary of State (Mr. Dorion) in order to ascertain whether he is aware that, according to a press release originating in Hamilton, the returning officer for the riding of Hamilton South is reported as saying that he has received tons of electoral literature from Ottawa, and that he was wondering what this might mean. Here are the questions I have to ask of the Secretary of State: Has he read this press release, and what does he make of all this activity which smacks of pre-electoral conditions. How is it that tons of electoral matter—

(Text):

Mr. Speaker: Order. I take it that the hon. member is not rising to verify the press statement. He is, therefore, asking a question relating to the delivery of the literature. I do not ask him to take the responsibility for the truth of the facts on which he bases his question, but it is normally desirable that a member asking a question should accept the facts on which he bases his question.

(Translation):

Mr. Chevrier: Mr. Speaker, I am asking the minister, first of all, whether it is true that a tremendous volume of electoral literature has left the offices of the chief electoral officer for the various ridings and, second, what is the meaning of this action? I would ask him to explain to the house the meaning of all this.

Mr. Dorion: Mr. Speaker, in the first place, let me say that I have not read the report referred to by the hon. member. In the second place, if anything like this has been done, it has been so under the authority of the person solely responsible for it, the chief electoral officer.

(Text):

SUPPLY

The house resumed, from Monday, January 30, consideration of the motion of Mr. Fleming (Eglinton) for committee of supply, and the amendment thereto of Mr. Cardin.

DOMINION-PROVINCIAL RELATIONS—TAX-SHARING ARRANGEMENTS

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, before the adjournment of the house at ten o'clock last night I had stressed the need for additional revenues for our municipalities, and I insisted that our municipalities must be provided with adequate sources of revenue. I would be prepared to go even beyond the tax-sharing agreements and the additional payments which are being provided under the principle of equalization. Instead of a complacent attitude and a cold indifference in meeting the problems facing this country at the present time, this government should come out with a bold determination to meet those problems and rectify the present state of affairs which is not worthy of a growing nation with unlimited resources.

According to the letter which was made public yesterday and which has been sent by the Prime Minister to the provincial premiers, we now know that there will be another federal-provincial conference within the next few months. At that conference I feel that the Prime Minister should take advantage of the opportunity to offer to the provinces not only the continuation of the tax-sharing agreements, and not only the continuation of the equalization principle, but should go further and offer a means of relief to the municipalities.

The offer which was made to the provinces at the July conference and which, notwithstanding the statements made yesterday by the Minister of Finance, was contradicted by the Prime Minister at the October conference and which was renewed in the letter sent to the provincial premiers by the Prime Minister yesterday, will not meet the demands of the provincial and the municipal governments.

What I would suggest—and this I do keeping in mind the principle involved in the amendment now under discussion, namely the principle of equalization—is that much more could be done to relieve the provinces, and particularly the municipalities, which have reached and even surpassed the limit of their taxing facilities. Keeping in mind the principle of equalization, and keeping in mind the needs and the increasing demands of certain areas where the economic growth has been retarded and is lagging behind that of more fortunate sections of the country, I feel that the government should also consider the possibility and advisability of providing the municipalities with financial facilities for the undertaking of certain capital projects. In other words, financial facilities should be made available to municipalities for a number of approved projects which should be undertaken, according to the present terms of our constitution, by our municipal governments.

Such a scheme would not mean a direct outlay of money by the federal treasury. It

could consist of guarantees to our municipalities, extended through our provincial governments and subject in all respects to provincial jurisdiction. It should consist of money made available to the municipalities at a low rate of interest not exceeding 4½ per cent to 4¾ per cent, and it could be used for a variety of approved capital projects such as streets, sewers, public buildings and even schools and hospitals. Under existing conditions our municipalities are curtailed by the excessive cost of borrowing, and the high cost of financing means an additional burden to the individual taxpayer.

I see at this moment the Minister of Forestry in his seat listening to my remarks. I would remind him of the statement he made at the 1955 conference and again at the 1957 conference, when he pleaded with the federal government to come to the assistance of the municipalities. At that time he had particularly in mind the municipalities of his province of New Brunswick. Now that he is sitting only three seats away from the Minister of Finance I hope he will speak up. I hope it will not be only a matter of words. I hope he will insist on action in this field of assistance to our municipalities which so badly need it in the province of New Brunswick.

If funds were made available to municipalities under a four-year program or a five-year program, a series of capital projects could be undertaken as a result of which direct employment would be provided to hundreds of thousands of unemployed and thousands of new jobs would be opened in supplying the material required for such projects. After all, when billions of dollars were needed in war years in order to safeguard our rights and our liberties, Canada was able to find ways and means to meet its obligations. When hundreds of millions of dollars are needed by Central Mortgage and Housing Corporation in order to provide new homes for Canadians, the necessary funds are made available to individuals and groups alike. Today the welfare of the nation is at stake, and such ad hoc measures as those which have been introduced so far by the government will not be sufficient to solve the problems.

In the course of his lengthy remarks yesterday the Minister of Finance insisted that the amendment introduced by the hon. member for Richelieu-Vercheres was "completely misdirected and had no basis whatsoever". Notwithstanding the long arguments put forward by the Minister of Finance, with the approval of hon. members on the government side, I hope we have been able to convince the house that the reason for our amendment was the contradictory statement with respect to the proposal which was made by the Prime Minister at the October 26 conference. The words of the Prime Minister have been quoted. They have not been denied. They have been quoted from a statement which was given to the press following the statement made by the Prime Minister at that conference. I therefore insist, Mr. Speaker, that the amendment of the opposition was well founded and well warranted.

[Mr. Robichaud.]

Hon. H. J. Flemming (Minister of Forestry): Mr. Speaker, I think I should express my appreciation for the warmth of the welcome which has attended my first contribution in any formal debate in this chamber. I appreciate the warmth of the feeling expressed by all my hon. friends from every quarter.

In rising to make some observations in connection with this amendment at present before the house I am very confident that most hon. members who listened to the able review of the Minister of Finance yesterday, when he dealt with the matter in general terms and also in specific terms to some degree, are thoroughly satisfied in their minds that this amendment is ill-conceived and ill-intentioned. It is a flagrant attempt to becloud the whole question of dominion-provincial relations in this country and to convey an erroneous impression to the Canadian people.

I do not claim familiarity in detail with all questions which come before this house. I would not be presumptuous enough to make that claim in the limited time I have been here. I am familiar, however, with amendments of a like nature to the one before us, since it has to do with dominion-provincial relations with which I have had indirect and direct connections for something like 16 years.

It has also, in my opinion, another element with which I am familiar. That element, in my view, Mr. Speaker, is that this amendment constitutes a political manoeuvre. It is designed with a political end in view. I do not for a moment believe that it will have the desired effect, but I do want to quote the amendment. It is as follows:

That all the words after the word "that" be struck out and the following substituted therefor:

In view of the fact that the federal government at the October conference (1960) with the provinces proposed fixed subsidies in place of the equalization payments provided under the present tax sharing arrangements, and that this October proposal is a repudiation of the principle of equalization;

Therefore be it resolved that this house strongly favours the continued application of the principle of equalization of direct tax revenues pledged to the provinces by the Prime Minister at the federal-provincial conference in July, 1960, and defined at the time by the Prime Minister as a payment by Canada to the provinces to bring the per capita return from the three taxes at

standard rates up to the average per capita yield in the two provinces in which per capita yield is highest.

The amendment, of course, is a motion of non-confidence in the government. It suggests that by virtue of its attitude toward and its leadership in the field of dominion-provincial relations, this government no longer retains the support of this parliament. I have listened with great interest to the debate on this amendment up to now. The arguments advanced by various speakers have been of interest. I wish now to give to the house a review of my experience in dealing with the previous government in dominion-provincial relations as a representative of a province, and then dealing with their successors in office. I wish to apply the test of comparison to this government with the previous Liberal administration and then compare the results. That, to my mind, is the acid test.

My indirect experience with federal-provincial relations came as an opposition member in the New Brunswick legislature for a period of something like eight years. Time after time the Liberal premier of that day reported to the New Brunswick legislature concerning various dominion-provincial conferences. He would report in general terms, and would state that the arrangement concluded with the federal authorities was the best that could be secured in view of conditions prevailing. It seemed difficult to secure information in detail in those days. Suffice to say that the principle of special consideration for the province of New Brunswick did not seem to be seriously considered at that time.

I wish now to skip over a few years and to give the house some information concerning the 1955 dominion-provincial conference, at which I was honoured by making the presentation for the province of New Brunswick. I wish to deal with the representations made, the consideration given, and the results achieved.

I have in my hand the official report of that conference. I consider some of the submissions made of sufficient importance to read here and now. This is the first proposal that was made, and it is found in the official report of the conference at pages 29 and 30. After I had mentioned the difficulties which smaller and less wealthy provinces were having, I had this to say to the conference at that time:

> Yet, Mr. Chairman, most of us will admit that certain deficiencies and weaknesses in this course of national development have become very evident. It is true that Canada as a whole gained in prosperity and social security and all provinces have made considerable progress since 1945; yet, at the same time, the discriminatory features of our federal system have not been overcome and, in some respects, have tended to grow greater over the years.
>
> New Brunswick has derived considerable benefits from federal social security provisions and no doubt this is true in any province where the low income groups are relatively great in number and the per capita income tends to be low. Yet, although supplementary family income from social welfare sources is welcome and useful in raising regional standards of living, the fact remains that such matters still depend and must always depend upon the regional economy in the final analysis. It will be the submission on behalf of our province that this matter can only be dealt with by a national policy specifically designed to improve regional income through helping to increase the productive capacity of areas which fall below certain indices to be determined.
>
> At this point, I would exchange principle for concrete example by mentioning the great problem which confronts the government and people of New Brunswick at the present time. I refer to our vital need for relatively cheap power. This question has none of the academic qualities and values of constitutional and ethical discussions. It is a matter of economic life or death and any representative of the province would be derelict in his duty if he failed to call the matter to the attention of this gathering at the earliest possible opportunity.
>
> As many present have reasons to know, our province has made great efforts over the past few years to secure federal assistance in meeting the demand for more electric energy at lower cost and we have been told that compliance with our request would contravene national policy and that there is no provision for it in the articles and conventions which bind the nation and its component provinces together.
>
> I do not propose to argue the questions of whether these decisions have been right or wrong, just or unjust, expedient or inexpedient. Our proposal at this time is for the purpose of giving the matter of federal assistance to the provinces for resource development the place and importance which it undoubtedly deserves so far as New Brunswick is concerned.

That is the first quotation. I therefore suggested that the first item on the agenda—and I would like this house to keep in mind that this is the year 1955 about which I am speaking—should be "Discussion of national policy of assistance to the provinces for resource development."

The second item which I requested should be placed on the agenda for discussion was "Future tax rental agreements should include a factor which would take into consideration the difference in taxable capacity among the various provinces." My pertinent comments in connection with taxing capacity read as follows in one paragraph to be found on page 32 of the report. I might call the attention of the hon. member for Gloucester to this point. He called my attention to it and I refer him to it also, because this is what I submitted to the government which he supported and which I presume he still supports—that is, their successors—without any results.

> What I have said about the lack of taxable capacity for our province also applies in the case of New Brunswick municipalities. The trend in municipal finances indicates that local authorities are becoming increasingly dependent upon grants

and subsidies from other levels of government in order to meet their traditional responsibilities as well as the new demands upon them. Inadequate transfers of income from the federal authority in turn prevent the province from making transfers to the municipalities, upon a scale adequate to their needs. Furthermore, in the event of business recession the demands upon municipalities would greatly increase. The problems of municipalities is another reason for considering the principle of taxable capacity. I submit, therefore, agenda item as follows:

That taxable capacity of the provinces be a consideration in determining annual grants.

No. 3, Mr. Speaker, had to do with the Duncan and White awards, and I will not go into the detail of it at the moment. No. 4 was a recommendation for the agenda. It had to do with the trans-Canada highway and its extension and revision. I feel quite certain that all hon. members will be fully sympathetic with the aims and objects of this particular submission.

I have gone into some detail concerning this preliminary conference with this end in view; that members of this house might be aware of the problem existing at that time, in 1955, and of the representations which were made to the federal government in that year. I should like to draw the attention of hon. members once again to the conference itself, which took place on October 3, 1955. For the information of the house I might mention that a preparatory committee had been working subsequent to the preliminary meeting.

So far as New Brunswick was concerned, our formal submission might be summarized as follows. We requested that tax rental agreements be renewed and that a definite renewal clause be inserted to that effect. We submitted also that low income provinces should receive a national adjustment grant. The submission in this connection was as follows, and I quote again from my remarks at the conference itself:

Experience, however, has indicated that the tax rental agreements do not go far enough to meet the needs of low income provinces in that they are largely based upon a per capita plan of compensation. We are firmly convinced that these provinces should receive a national adjustment grant to compensate them for their lack of taxable capacity in respect of those sources of revenue remaining to them.

It has seemed to us that the conditions which favour this conference permit a reconsideration of one of the major recommendations of the Rowell-Sirois commission designed to correct regional maladjustments. In this connection, the language of the Rowell-Sirois report is still eloquently persuasive in regard to the principle of adjustment grants. The following quotation is taken from chapter V, book II of that report:

"They (the grants) are designed to make it possible for every province to provide for its people services of average Canadian standards and they will thus alleviate distress and shameful conditions which now weaken national unity and handicap many Canadians. They are the concrete expression of the commission's conception of a federal system which will both preserve a healthy local autonomy and build a stronger and more united nation."

The government of New Brunswick urges with all the force at its command that, in addition to the tax rental agreements, there should be adjustment grants to the low income provinces, and we submit herewith a formula based on relative per capita personal income which would, we consider, accomplish this purpose in a simple and equitable manner.

You will note, Mr. Speaker, that I submitted a formula which will be found on pages 50 and 51 of the report. I repeated my request for reconsideration of the Duncan-White commission awards, and I outlined the need for federal financial assistance for projects. To be specific, I now quote exactly what was said in that connection as reported on page 53:

The government of New Brunswick proposes that the federal government should extend financial assistance to the provinces for approved natural resource development projects which are in the national interest. The assistance should take the form of loans to the provinces at low rates of interest. To limit the commitment of the federal government, the maximum loan which would be extended to any provinces at any one time could be restricted to two hundred dollars per capita. Such a program would bring great benefits to the federal government in the form of increased revenues from personal and corporate income taxes.

The question of sewage disposal units was discussed, and this seems significant in view of the legislation which has been passed by the house during the present session. Misgivings were expressed in connection with the pollution of our provincial rivers and streams; the serious effect of this pollution on the fishing industry and on tourist traffic was mentioned. We also suggested a continuation of farm credit policy and a more aggressive performance of all its functions. We expressed our approval of the health program, and may I say at this point that the former minister of health was always co-operative with the province of New Brunswick; I should like to pay him that tribute here and now. We requested assistance for electric power development, and I should like to quote again from page 56 of the report. This is somewhat lengthy, but it does sum up the submissions made to a federal-provincial conference and, after all, we are talking about federal-provincial conferences at the present time:

The government of New Brunswick comes to this conference table representing a province united in its determination to accept no substitute nor make shifts for the rights of full citizenship in this great and growing nation. Today, in our province, you will find a new spirit of enterprise new capacities—a new determination to take our place beside our fellow Canadians on terms of full economic equality. Such ambitions and endeavours have not always been practical for us—but they are practical now. We know that we have resources which, properly developed, can furnish our people with the means to greatly

improve our public services and our provincial standard of living as per capita income rises. Through the efforts of the provincial government, and by the enterprise of our people, we have already made important advances in the improvement of our economy. We are co-operating with private capital and doing everything possible to create the favourable economic situation which can encourage the fuller use of our resources. In fact, everything that government and people can do is being done and will continue to be done; yet our progress will be slow without assistance—our full development can only come about with financial help from an interested outside source. The interested source should be the federal government.

We have applied to the central authorities for assistance in electric power development, which is the key to our provincial future; so far without result. We have been led to believe that federal assistance in this respect is contrary to national policy. But we now find that this is not the case. Those listening to the C.B.C. national news bulletin at 11 p.m. on September 13, 1955 heard the announcement that Canada and the province of Ontario had agreed in principle to jointly finance a portion of the Alberta natural gas pipe line. In order that there shall be no possible chance of misunderstanding, I propose to quote the applicable portion of the newscast.

"Agreement in principle has been reached on a plan to have the federal and Ontario governments jointly finance a major section of the proposed Alberta natural gas pipe line."

We are pleased to note that the federal government is adopting a new policy of assisting provinces to obtain additional sources of energy for industrial development.

New Brunswick expects the principle of joint financing to apply to us. Certainly we need it. Surely, you cannot and will not deny it to us.

The details of the arrangement can easily be worked out between your capable officials and ours who are equally efficient, faithful and interested.

We in New Brunswick have no quarrel with other provinces—no quarrel with the federal authority. We are not coming hat in hand to this or any other conference table. Yet we know that we represent an important principle, far beyond considerations of area, population and voting strength in its importance. It is the principle of justice and equity, and no federation of any kind can survive without it.

That conference met again early in 1956 and finalized the five-year agreement for 1957-62. The point I wish to make here and now is this. No action was taken in connection with the special situation existing in the low income brackets which particularly affects the Atlantic provinces. We were led to believe that this could not be undertaken that all the provinces comprising the nation should be prepared to accept the principle that a formula of general application must be applied and should be accepted. We were obliged to accept the conclusion that this was the policy of the government of the day, and that from then on we could expect no recognition by way of special adjustment grants for the Atlantic provinces.

I proceed now with the history of those years. April 1, 1957 ushered in a new fiscal policy. A federal election was called in June, and I took some part in that election. I was delighted when the new government came into office and was sworn in on June 21. The reason I was delighted was that—well, of course, it was my party; but there was another reason, and a good reason. We had received no action from the Liberal party on repeated requests for recognition of the special situation with respect to the fiscal need, no action regarding special situations with respect to development, no action regarding special situations with respect to the lack of reasonably priced electric energy. And so our only hope, Mr. Speaker, lay with the new administration. What were we going to get from them? That was the question with which we were faced.

Mr. Pickersgill: I wonder whether the minister will permit a question?

Some hon. Members: Sit down.

Mr. Pickersgill: Perhaps the minister can decide. My question is, does the minister not recall an offer made in Mr. Harris' budget of 1957, which he as premier of the province accepted in principle, for aid in developing low cost electricity in New Brunswick?

Mr. Flemming (Royal): We are getting into low cost electricity. That was a different proposition. It came from the minister of northern affairs and national resources, if I remember rightly, and was not acceptable because—

Mr. Pickersgill: I have the minister's acceptance in principle.

Mr. Flemming (Royal): We will leave that with you, but it was not entirely acceptable. We may have accepted it in principle, but there certainly were still some details with respect to which it was not acceptable, as I remember it.

Mr. Robichaud: It would have helped the coal mines.

Mr. Flemming (Royal): They were going to develop the power; they were going to move in and take control of New Brunswick. The hon. member recalls it as well as I do. Certainly we did not shut the door in their faces, Mr. Speaker. We could not afford to shut the door in their faces; but as far as that was concerned, there soon was a change after June 10, 1957, because what we expected and what we received from the new administration is now a matter of history. On November 25 and 26 a provincial conference was called by the new administration here in Ottawa. We were welcomed by the Prime Minister, who made a speech at the opening of the conference. I now wish to quote his words to that conference.

They are found in the dominion-provincial conference report of the year 1957, at page 9, and read as follows:

> The purpose of each of us here today, as Premier Smallwood said in effect, is to come together in a spirit of amity, to endeavour while maintaining the spirit and intent of the British North America Act to assure the ability and capacity of the federal and provincial governments to discharge their respective constitutional functions. The spirit of confederation requires that provincial governments by their demands upon the federal treasury shall not undermine the strength it requires to sustain its own proper burdens, and that the dominion government shall not take advantage of the legitimate needs of the provinces to undermine the essentially federal nature of our constitution: We are here at this time primarily to listen and to learn. We want to learn about your problems, those problems that bear upon ours. We want to hear your suggestions. We, of course, know something from the public record of the past. We wish to hear directly from you of things as they now are and as you see them.
>
> We believe that this federation cannot thrive in a climate of glaring disparities in levels and standards of service and development as between the several provinces from Newfoundland to British Columbia. Believing in a positive policy, this government intends in co-operation with the provinces to co-operate actively in promoting the development of Canada and all its regions. It is our opinion that positive government is necessary both at the dominion and provincial levels in assuring national development and we are prepared to assist provinces in carrying out their functions where we agree that is necessary and when parliament approves. We are prepared to consider on their merits major projects which will contribute to national development and which are beyond the capacities of any of the provinces.
>
> In that connection I might refer to three examples. In pursuance of that general plan we have announced a program in respect of power in the maritime provinces. In the speech from the throne reference was made to this government's willingness to recommend to parliament participation with the government of British Columbia in a joint program for the development of the immense potential of the Columbia river.
>
> Premier Douglas and members of his government will meet with members of the federal government shortly to consider the making of plans regarding the South Saskatchewan river dam and irrigation projects.

These were the words of the Prime Minister of Canada in addressing the conference called almost as soon as the government could get around to doing it. These three projects that the Prime Minister mentioned were projects which seemed to be incapable of development under the previous administration. They could not do it. Under the new government they were not impossible, not by any means. Two of them have already been provided for and the third is well under way, as all hon. members are aware, since the signing of the treaty in Washington a few days ago.

I wish to say something in a somewhat personal way, but still with tremendous reference to the general subject of federal-provincial relations. I refer here to the speech from the throne on October 14, 1957, and I quote from that speech from the throne as follows:

> As an immediate start upon a program of more extensive development in the Atlantic provinces, you will be asked to authorize, in joint action with the provincial governments, the creation of facilities for the production and transmission of cheaper electric power in those provinces. You will also be asked to provide assistance in financing the Beechwood project which has been under construction in New Brunswick.
>
> My ministers will advance this national development policy further by initiating new discussions with the government of Saskatchewan in order to make possible the early commencement of construction of the dam on the South Saskatchewan river.
>
> My ministers are pressing for a favourable settlement of international problems in connection with the Columbia river to clear the way for a joint program with the province of British Columbia to develop the immense power in the waters of this river.

I was impressed, thrilled and thankful to hear this reference to the financing of the Beechwood project and the relief it would afford to all my fellow citizens of the province of New Brunswick. And if there should come a time when there is a proper matter before this house I would be glad to give a resume of my expenrience in connection with Beechwood and the previous administration.

I have no doubt members from Saskatchewan were equally pleased. I have no doubt that members from British Columbia were likewise especially delighted at the mention of the Columbia river. These words would have been a thrill coming from any minister of the crown; they would have been a great thrill coming from the lips of the Prime Minister of Canada, but when they were uttered by Her Majesty the Queen, opening the first session of the twenty third parliament of Canada, it seems to me that was an occasion when we should all acknowledge and properly be grateful for an outstanding moment in all our lives.

Yesterday in this house the Minister of Finance, in an eloquent speech, made a comparison between the policy of this government toward the Atlantic provinces and the policy of the Liberal party. I have said on many occasions, and I repeat here and now, that there is a definite, clear-cut distinction between the policies of the two parties with respect to the Atlantic provinces. It is simply this, that this government has recognized the special situation existing in the Atlantic community. The Liberal government would not recognize that special situation. They never recognized it. This government has taken steps to deal with it. This government has made possible a combined electric grid system for New Brunswick and Nova Scotia by

which stand-by power plants in each province are made available to the other. This grid system will also be available when wanted for Prince Edward Island, and for Newfoundland when required. It may properly be considered to be on the way.

Coal subventions more generous than ever before have been applied to the Atlantic region. Financial aid has been extended by way of loans to pay for the Beechwood project. All we ever asked for was a loan, not a hand-out; just a loan for Beechwood. The transportation difficulties of the Atlantic provinces are receiving consideration by the transportation commission at this very moment. The present dominion-provincial conference is still in progress and is to be reconvened on a later date, either in February or March.

Relations between the provinces and this government are excellent, and I subscribe completely and enthusiastically to the words of the Minister of Finance yesterday when he stated that there never would have been any Atlantic provinces adjustment grants under the previous administration. He also said that the government was firmly behind the principles of equalization and stabilization and, as I said before, they have demonstrated that they are behind the general principle of the recognition of special situations, and that special adjustment grants will be permanent as far as this government is concerned.

He mentioned the fact that there was an improvement in spirit. I can vouch for that as a completely accurate statement. There is a new optimism generally prevalent in our region, and it is due in no small measure to the sympathetic attitude of the Prime Minister and his government. I have said and I repeat here that in my opinion the Atlantic provinces might very well consider that June 10, 1957, was more important to them than July 1, 1867.

When one considers the percentage position of federal contributions in relation to total revenues of all the provinces and compares this with the position that existed previous to the advent to power of this administration, to be asked to join in a motion of non-confidence against such a government, Mr. Speaker, was referred to yesterday by the Minister of Finance as temerity but I submit that it is unmitigated gall. That is what it is. In my opinion any members of the house, particularly those representing the Atlantic provinces, who would join in a motion of non-confidence against the government on the basis of federal-provincial relations would be casting an entirely partisan vote not in the best interests of his constituents, not in the best interests of Canada and especially not in the best interests of the Atlantic community which forms a part, and an increasingly important part, of this great nation.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, my first words are to congratulate the Minister of Forestry (Mr. Flemming) on his maiden speech in the house. I think all members can agree that he has given an excellent account of himself and has made a speech in the grand style of a political campaigner. In my view a speech of that kind is always welcome in the house.

Mr. Robichaud: He should have made it last June.

Mr. Argue: Mr. Speaker, we are discussing today a very serious reversal of policy by the government whereby it proposes to abandon the tax rental agreements and turn back to the provinces the right to levy corporation and income taxes and succession duties in a field also occupied by the federal government. In our opinion, Mr. Speaker, this is a return to the antiquated past. If the government persists in following this policy it will mean we will go back to a sorry state where, instead of having a uniform or nearly uniform level of corporation and income taxes and succession duties across the nation, we will have differing rates in each of the ten provinces of this country.

This means, of course, that differing revenues will be coming into the provincial treasuries. Even though the government may continue to follow a so-called principle of equalization with a different definition it will mean a very great variation in provincial revenues and therefore in provincial services. In the main fields of provincial services it will mean that Canadian citizens will receive widely varying standards of services in the different provinces.

We believe that this retreat to the past will make it more difficult for the federal government to embark on those policies that are necessary to provide the kind of climate in which we can have full production and full employment. We feel that this return to the past will mean further encouragement and additional impetus to the concentration of industry in certain areas. If the Prime Minister persists in following this policy it will mean almost inevitably that the less well to do provinces will of necessity be forced to impose higher corporation and income taxes. These higher taxes will not encourage the establishment of industries in the less favoured provinces but rather will result in a further impetus to the concentration of industries in the central provinces and in the present main industrial areas of the country.

A great forward advance was made after the war when the government of the day in

its green book proposals proposed to the provinces that during peacetime they should rent their right to occupy these three main fields of taxation, and that in return they should receive certain grants, certain income from the federal government. In our opinion this has had many great advantages. It meant that these taxes would certainly be equal if all of the provinces rented their right to occupy these fields and the federal government from the revenues obtained would be in a position to make grants on the basis of a specific formula which would enable the provinces to provide a minimum standard of provincial services for their citizens.

Now, we feel these taxation agreements have worked reasonably well. We feel that they have worked in the interests of Canada and that they should be continued. When the conference was held on October 27 last year the Prime Minister made these proposals in his statement:

> I wish now to place certain suggestions before you:
>
> First, the federal government is prepared to recommend to parliament that federal tax rates in the three shared tax fields be reduced at the time of the termination of the present tax rental agreements, March 31, 1962, by the amount of the present standard rates, that is, by 14-9-50 in terms of current tax rates. This will permit the provinces to re-enter these tax fields and to cultivate them in the way they find necessary to meet their respective revenue requirements.
>
> Second, it is realized, of course, that handing these rental tax fields back to the provinces will not solve the whole problem of provincial finance. There are many provinces where the revenue yields from these taxes will not be large enough to meet the needs of provincial finance. The problems of such provinces must be recognized, and indeed we have recognized them and continue to recognize them.
>
> To meet the needs of the provinces with lower tax potential we would therefore ask parliament to provide equalization payments or their equivalent in a total amount of $220 million a year, which is approximately the scale of the payments this year.

This meant, Mr. Speaker, that the provinces would be forced back into those three main taxation fields; that for the provinces that had rental agreements and were receiving equalization payments there would be a fixed payment of $220 million per year; that no matter how the country prospered, no matter what the growth in production, no matter what the increased wealth in our nation, the people living within those provinces would not have the right to share in that increased production and increased wealth.

When these proposals were made to the conference every province, I think without exception, expressed keen disapproval and keen disappointment, perhaps with the exception of Ontario. The provinces knew that this was turning back the clock. They knew that this would place them in the position of being part of a tax jungle which would stretch across this nation, in which taxes would vary from province to province. The provinces knew that this proposal concerning equalization grants would mean that the citizens of the less wealthy provinces would have a fixed standard of services above which, during this period of time, they could not hope to go. Such a howl went up across this country, Mr. Speaker, that the government had to make some amendments to the proposal put before the conference at that time.

Sometimes it is said that parliament is not very effective, and that the opposition may not be able to make the government act. However, it was very interesting yesterday, when we all knew a supply motion was about to be moved in this house, to find the Prime Minister announcing the convening of a federal-provincial conference. By doing so, of course, he would take away some of the impetus of the opposition in moving this want of confidence motion. In order to show that the government considers this a very important question, to show that the government is sensitive in this field, the Minister of Finance read a letter that had been sent by the Prime Minister to the provincial premiers saying that the Prime Minister was prepared to have the federal-provincial conference reconvened on Thursday, February 23, or alternatively on March 25.

It was interesting to me to note in listening to the Minister of Finance that this letter was not dated. I have in my hand the Toronto *Star* for this afternoon, which indicates that Premier Frost, late yesterday afternoon, had not received the letter that had been read in this house; that is the one the Prime Minister sent to the provinces. As an indication that the government is very sensitive on this question, and that the government knew something had to be done in answer to the debate that might take place, we have this letter which was written. I think it also shows a great discourtesy to the premiers of the provinces of this country when the Minister of Finance refers to a letter and reads it into the record as part of the proceedings of a debate, at a time when the provincial premiers had not had a chance of receiving this letter.

Mr. Bell (Carleton): What would the hon. gentleman have said if the Minister of Finance had spoken and not disclosed the existence of a letter which was in the mail?

Mr. Argue: I think the Prime Minister should have written this letter before the debate; that is what I am saying.

Mr. Bell (Carleton): He did.

Mr. Argue: Oh, yes, a few minutes or a few hours before; but even with the fast air mail between Ottawa and the city of Toronto the

premier of Ontario had not received this letter at the time the Minister of Finance was disclosing it in the House of Commons. This undated letter—

Mr. Bell (Carleton): What does the hon. gentleman mean "undated letter"?

Mr. Argue: The minister did not refer to the date. I am sure the letter has a date.

Mr. Bell (Carleton): Of course it had a date on it.

Mr. Argue: I imagine the premiers of the provinces will show greater courtesy after they received this letter than the Prime Minister showed after receiving certain letters from the provincial premiers on former occasions. He did not even have the courtesy to reply to some of those letters.

A federal-provincial conference is necessary. The government's proposals have been held up before the conference, but I suggest that even with the additional propositions contained in this letter these proposals are inadequate. They are shortsighted, and they will not assist in dealing with the great unemployment problem or the great economic crisis that faces the Canadian nation. What these proposals, in toto, say is this: Go back to the tax jungle, go back to varying rates of corporation taxes in this country. This proposal would give the provinces that have the largest amount of revenue an opportunity to levy a lower corporation tax, and would provide a still greater incentive for the concentration of industry in this country.

Then the federal government are saying, "We will pay a lump sum to the provinces by way of the so-called equalization grants. We will put in that grant a factor for growth, but an undisclosed factor". We are not told what the factor will be. The provinces will have no idea of this factor until the conference is held. However, Mr. Speaker, putting the very best interpretation one can upon these proposals, I suggest that the government's policy is archaic and will not in any way meet modern conditions.

As an alternative to the government's policy I would suggest that there should be maintained a policy of offering to the provinces a continuation of the tax rental agreements. I suggest that the federal government should give leadership in encouraging the provinces to sign such agreements so that we may maintain standard corporation, income and succession duty rates across this country. We also suggest that in any such proposals there should be provision for an equalization payment. By that I do not mean an equalization payment that gives to each province a guarantee of having an income equal to the per capital yield of the three taxes at standard rates in the two provinces in which the per capita yield is highest but rather an equalization payment related to the average per capital yield from these three taxes at standard rates in the province with the highest per capita yield. This provision would then bring all the provinces on a minimum standard basis up to the level with the province with the highest yield and not up to the level—which of course is a somewhat lower level—of the average of the two provinces with the highest yields.

In addition to that, we suggest that there should be other proposals or other provisions such as provision for additional grants from the federal government to the provinces. We suggest that grants should be provided by the federal government to provinces that undertake a program of health insurance. Grants of this kind are what the government should be providing to provincial governments in addition to the equalization payments. We suggest that the government should bring into effect once again the Municipal Improvements Assistance Act under which municipal governments could obtain money for capital needs at a low rate of interest.

Proposals of this kind, Mr. Speaker, are necessary to deal with the present recession, to give Canadians in every province a basic minimum standard of social services and to provide for the citizens of each province a reasonable hope of having industries within their province. With the new proposals contained in the letter sent out by the Prime Minister (Mr. Diefenbaker) and with the additional moneys that may come as a result of those proposals, we suggest that the government is in error in scrapping the tax rental agreements which have served the Canadian nation so well for so long.

(Translation):

Mr. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, my first words will be to commend the Minister of Forestry (Mr. Flemming) who has just made in this house, a speech which certainly will count among the most notable which have been heard here in a very long time. He spoke as the true leader of the Atlantic provinces. Let us bear in mind his concluding remarks to the effect that the official opposition showed incredible cheek in submitting a motion of nonconfidence in this government in the field of federal-provincial relations, and more particularly trying to justify it by the treatment meted out to the Atlantic provinces in fiscal matters by this government.

Mr. Deschatelets: You were not singing that tune in the days of Mr. Duplessis.

Mr. Martineau: Mr. Speaker, there is no ground on which the Liberal opposition is more vulnerable, no ground where it runs a better chance to stumble—

Mr. Michaud: Who stumbled on June 27 last, in New Brunswick?

Mr. Martineau: —and to slip, than the one mentioned by the hon. member for Richelieu-Vercheres (Mr. Cardin) when he introduced his amendment yesterday.

Mr. Speaker, it has been said that when this administration came into power in 1957, it had to face an unprecedented fiscal jungle, and, at this point, I would like to quote some words which give about the best description of the Liberal party's attitude throughout the years, in the field of federal-provincial relations. As a matter of fact, these adjectives are an excellent illustration of the conditions inherited by this government.

It has been said that the attitude of the Mackenzie King and St. Laurent governments had been unpardonably arbitrary. It has been referred to as medieval and feudal. It was stated that the terms offered were hard, complex and anticonstitutional. It has also been said that the ministers of the crown, at that time—

Mr. Martin (Essex East): Who has been saying this?

Mr. Martineau: —acted with incredible arrogance.

Mr. Martin (Essex East): Who said that?

Mr. Martineau: Mr. Speaker, I was anticipating that question. Right at the beginning of my remarks, I said that I was giving a concise summary of remarks heard in connection with the proposals of the federal government during the 1945-57 period. The descriptive words are my own, but they reflect—

An hon. Member: The Union Nationale.

Mr. Martineau: —precisely the feeling which prevails throughout this country.

Mr. Martin (Essex East): Inside the Conservative party.

Mr. Deschatelets: Your own former chief, Mr. Duplessis, said so.

Mr. Martineau: But, allow me to continue. I could describe the situation as an awful mess, an unaccountable jungle, a medieval labyrinth, utter confusion, an anticonstitutional attitude, an imbroglio. Such were the epithets used by observers of the parliamentary scene at the time. Today I fully endorse those epithets, believing as I do that they reflect the extreme scorn and arrogance shown by the then central government toward our confederative pact, provincial autonomy and, in fact, the whole constitutional history of this country.

Mr. Cardin: Would the hon. member allow me a question?

Mr. Martineau: Mr. Speaker, if the hon. member will only be patient, and if I have some time left at the end of my speech, I shall be pleased to grant his request.

Perhaps the hon. members opposite will say that my words do not accurately describe their attitude, and they may perhaps try to say that, as far as they were concerned, they were above reproach. So I shall refer to another authority, one that hon. members opposite indeed will not be able to disavow, since it is none other than the ineffable member for Bonavista-Twillingate (Mr. Pickersgill), an increasingly important authority on constitutional matters.

Here is what the hon. member said as recorded in *Hansard* for July 24, 1956, page 6373:

Nothing—

Referring to the proposals then put forward by the federal government, he said:

Nothing would have been simpler then for the government to recommend ... some slight change in the formula—

That is to say the formula then in force in connection with federal-provincial agreements; but here is what he added:

—and continue the situation which had persisted since 1945. A situation which, I submit—

And I quote textually:

A situation which I submit, was not good for this country and which could not much longer continue—

Therefore, according to the hon. member for Bonavista-Twillingate, from 1945 to 1956, his government tolerated, with regard to this matter, a situation clearly detrimental to the best interests of the country. He went on to say:

Whereby the benefits—

And I still quote:

—of this legislation were going to two thirds of the country and not to the other third.

Those were the words of the hon. member for Bonavista-Twillingate: they are a very clear indictment of his government's attitude during those years.

But, it might perhaps be said that in the meantime, hon. members opposite have changed their minds, have realized they were on the wrong track and have now adopted a new approach which, this time, will be more in keeping with the Canadian

spirit, and when I say Canadian spirit, I mean the spirit of the federalist system now prevailing in Canada.

Mr. Speaker, when hon. members of the opposition introduce a motion of non-confidence in the government, they somewhat remind me of expert witnesses who are sometimes heard in court. You know, when those witnesses are heard, it is the practice—and a good one at that—to ask them about their qualifications as arbiters or as experts called upon to decide the pros and cons of a controversial matter.

Well, Mr. Speaker, on the basis of the words I have just quoted, and particularly after what has been said by the hon. member for Bonavista-Twillingate, I feel that I can say that those hon. members are certainly not qualified to deal expertly with a matter as closely related to the best interests of this country.

But recently it has been suggested that our friends had repented and that the Liberal policy would now be in accordance with our confederate mentality and our confederate system.

The other day, the hon. member for Roberval (Mr. Tremblay) spoke about a recent Liberal rally and he explained very clearly that the centralizing tendency of the Liberal administration was always as strong as it had been. In addition, he particularly proved that point by taking issue with the sentence of the Liberal policy which concerns education, which is a clear encroachment, or attempted encroachment upon a field belonging exclusively to the provinces. Thus, there has been no repentance whatsoever.

Coming back now to last night's debate, I must say I was especially surprised at certain words spoken by the hon. member for Bonavista-Twillingate, particularly those recorded on page 1559 of *Hansard* where the hon. member quotes as his authority none other than Sir Wilfrid Laurier. Here is what he said on that matter:

> Sir Wilfrid Laurier and Mr. Fielding pointed out at that time that the proper basis of federal subsidies should be a real per capita basis and that the rather extraordinary scheme that there was in the British North America Act...

Let us then consider that suggestion in detail. First of all, what was the attitude of the Liberal leader in the matter of tax sharing between the provinces and the federal government?

I read in column 5289 of *Hansard* of March 25, 1907, the following which is worth quoting. Sir Wilfrid Laurier was then prime minister of Canada and proposed the adoption of the following address:

> We pray that Your Majesty may be graciously pleased to cause a measure to be laid before the imperial parliament at its present session, repealing the provisions of section 118 of the British North America Act, 1867, aforesaid, and substituting therefor the scale of payments above set forth, which shall be a final and unalterable settlement of the amounts to be paid yearly to the several provinces of the dominion for their local purposes and the support of their governments and legislatures.

Here is another proposal made by the prime minister of the time, and which is mentioned in column 5304 of *Hansard* for the same year:

> The plan we proposed was that we should revise the subsidies given the provinces, with the clear intimation to them that this was to be a final settlement, that no further claim would recognize, that each province must carry on its affairs with the means at its command and must not have recourse to this parliament.

Therefore, Mr. Speaker, it is certainly useless for the hon. members opposite to quote such an authority in support of their claims, for provincial rights, and especially a larger tax share for the provinces.

Sir Wilfrid Laurier was in fact of the opinion that a final settlement had to be entered into with the provinces and that those provinces should not come and knock again at the door of the federal government.

Such was the very opinion of Sir Wilfrid Laurier, as reported in *Hansard* which I just quoted.

It has been rightly said that the Liberal leader, the then prime minister, also thought that it was a false principle that one government should collect taxes and another spend them.

I remember that at the beginning of this session the Leader of the Opposition (Mr. Pearson) seemed to disagree with this and even said of one of my interventions that it was utter nonsense.

Be that as it may, I believe that those words of Sir Wilfrid Laurier which I just quoted imply that this was his opinion.

Mr. Martin (Essex East): You accepted it.

Mr. Martineau: Yes, we accepted the principle, but the hon. members opposite are the very ones who no longer accept it; they would have us believe that their leader at that time, Sir Wilfrid Laurier, did not advocate that principle.

Mr. Martin (Essex East): You accepted that principle under Mr. St. Laurent's administration.

Mr. Martineau: Other similar statements were made. Do you know by whom? By none other than the great constitutional

wizard, the hon. member for Bonavista-Twillingate who stated the following, as reported in *Hansard* for March 24, 1956:

I think it is much more advisable that the government spending the money should collect it.

That is, should collect the taxes.

So, why maintain and suggest now, in vague and underhand terms, that such a principle is unfounded?

Mr. Martin (Essex East): That is not the question under discussion.

Mr. Martineau: Surely more surprising still are the remarks made yesterday by the hon. member for Bonavista-Twillingate who described as "rather unusual" the tax-sharing formula provided under the B.N.A. Act between provinces and the federal government Now, we know what this is all about. We realize now how the Liberal party throughout its long administration gradually sought to disregard the precise terms of the constitution and to lean towards centralization.

Besides, they have never changed their position, because yesterday the same member for Bonavista-Twillingate said that the formulas provided in the B.N.A. Act were really extraordinary. He used the word "strange."

Mr. Deschatelets: Let the hon. member read his statement.

Mr. Martineau: I understand why my remarks are not to the hon. members' liking.

Mr. Ricard: They hurt.

Mr. Martin (Essex East): That is not what he said. You are wrong and you know it.

Mr. Ricard: It hurts the hon. members.

Mr. Martineau: Mr. Speaker, let us go back to the motion introduced yesterday by the hon. member for Richelieu-Vercheres (Mr. Cardin) as it appears on page 1535 of yesterday's official report. There is a preamble, because this was an important event in the history of parliament, and they saw fit to begin the amendment with a preamble.

Mr. Martin (Essex East): Very well said.

Mr. Martineau: Mention was made of the meeting held on October 26, 1960.

In view of the fact that the federal government at the October conference (1960) with the provinces proposed fixed subsidies in place of the equalization payments provided under the present tax-sharing arrangements, and that this October proposal is a repudiation of the principle of equalization;

[Mr. Martineau.]

Therefore, be it resolved that this house strongly favours—

Just imagine, Mr. Speaker, such words coming from that source.

The continued application of the principle of equalization of direct tax revenues.

Mr. Speaker, it is readily realized that hon. members of the opposition are still confused, not only with respect to the history of Canada's constitutional evolution, but also as to the very meaning of the terms. This can clearly be seen in this resolution in which principle and formula are confused.

The principle of equalization has not at all been questioned nor challenged by this government. On the contrary, that principle was recognized by the very words of the Prime Minister (Mr. Diefenbaker), on the occasion of the first steps taken by his government.

Here is what he said on the matter as can be found on page 1546 of *Hansard:*

Whatever the ultimate decision may be, the principle of equalization must be preserved.

And further on, the Prime Minister stated:

Again I wish to emphasize that the federal government remains firmly committed to the principle of equalization and of financial assistance to those provinces in which incomes and taxable capacity are below those of the richer provinces.

And again, in the letter sent yesterday to the premiers by the Prime Minister of Canada and which is recorded in yesterday's *Hansard,* we find this:

The suggestions that I have placed—

I am quoting the Prime Minister.

—before the October conference included the principles of equalization based on fiscal need and the stabilization of provincial revenues. The federal government is also prepared to make provision for a growth factor in the equalization formula.

Thus it is claimed here that equalization is being preserved not only in principle but in fact.

The formula can of course be changed, because as conceived by the constitutional authorities sitting on the treasury benches at the time, it is far from perfect, as constitutional experts agree almost to a man.

It has been said, for example, that it went against the spirit of the federal covenant allowing taxes to be levied for purposes entirely provincial. That is a first breach of the constitution. Second, it is not very realistic. And on this point, I am going to quote—

Mr. Deschatelets: Why did you consistently support it?

Mr. Racine: What is your proposal?

Mr. Martineau: There, Mr. Speaker, is the supreme argument of members of the opposition whenever they run out of arguments.

That is the principle underlying the whole theory of equalization. It is intended to ensure that provincial services will not, due to the poverty of some provinces, fall below a minimum which is considered appropriate for Canadians generally. This is subject to one condition, namely that each contracting province should raise its various taxes to a level considered equal to that of the provinces which are required to pay the cost of the subsidies.

In other words, it is a question of equalizing tax revenues. Now the constitutional experts following the lead of François-Albert Angers, a distinguished authority and a noted sociologist and economist, have made a very searching analysis of that government's proposals and have pointed out the flaws in the present formula. So it is with a view to correcting those flaws, and ensuring full compliance with the federal covenant that this government offers new proposals, which though not final, involve certain amendments to the 1957 agreements.

If the provinces accept those solutions, we shall be reverting to the true spirit of the constitution. That, surely, is an improvement on the previous agreements. Here is what Mr. Angers had to say in the concluding lines of an article published on November 24 in *Le Devoir*:

Summing up, the present equalization system is over-simple, phony and certainly unfair.

Over-simple, phony and certainly unfair.

Mr. Speaker, could anyone in his right mind rise in this house and say that the devious formula devised by Mackenzie King and his assistants, particularly the hon. member for Bonavista-Twillingate (Mr. Pickersgill) is so perfect, that it cannot be improved in any way?

That is the situation we are faced with now, in the year 1961, at a time when consideration must be given to renegotiating federal-provincial tax agreements.

The proposals submitted by the federal government were not as rigid as those put forward by the former administration. The Prime Minister in all his press releases and in all his dealings with the provincial authorities, repeated over and over again that these proposals were to be discussed, and the provinces were invited to make representations.

I must not forget to quote Mr. Angers' conclusions on this problem, as they appeared in *Le Devoir* for November 24:

The present federal formula, the one submitted to the October 1960 conference is basically correct. We have now reached what may be termed the dangerous narrows in a reversion to a decentralized system involving greater consideration for the true autonomy of the provinces.

And he added:

The Liberals have diabolically—

This word may be worth noting.

—diabolically sown confusion and have harnessed interests to make them work for centralization.

In order to break out of their system, the provinces must now show enough wisdom and dedication to the common good to disregard the petty interests—

Petty interests.

—that the King and St. Laurent governments used for fifteen years to further their centralizing policies.

That, Mr. Speaker, is an unbiased opinion from a man who is certainly not interested in promoting anything but the highest interest of this country in the matter of government policy in the field of federal-provincial taxation.

Now, our hon. friends opposite, having been guilty of those offences, which are now a matter of history—and here I repeat the words used by the Minister of Forestry—have the gall to criticize this government, a government which has done more than any other to foster friendly relations and understanding between the central and provincial authorities. And if there is one thing, among all the achievements of this government, that deserves to be remembered and praised in the highest possible terms, it is its effort to restore a fair distribution of taxes. Indeed, Mr. Speaker, there is no deluding ourselves about this: we know, and everyone knows, that there is only one taxpayer and that whether taxes are paid to the federal or provincial governments, it is always the same man who pays, and I believe that—

An hon. Member: Poor man.

Mr. Martineau: Yes. —That in view of the tax burden he has to carry, the Canadian taxpayer should be treated with dignity and justice. That is what this government has tried to do, and in a most concrete way by increasing, as it did—in fact it almost doubled over the last three and a half to

four years—the share of federal taxes that is paid back to the provinces. This share has gone up from approximately $680 million to the present figure of $1,300 million. That, surely, is significant evidence. And this government has done it without sacrificing the principles of our system of government. Today, it is proposed to come back to those principles which, surely are not unusual, as the hon. member for Bonavista-Twillingate (Mr. Pickersgill) seems to think, but are the cornerstone of this nation and the basis of its future prosperity.

(Text):

Mr. Pickersgill: Since the hon. member drew me into his speech, would he permit a question before he takes his seat? Did I understand the hon. gentleman to say that the present government was acting on a principle different from that founded by Mr. St. Laurent—allow me to finish my question, please—because the Minister of Finance told us last night it was exactly the same principle?

Mr. Martineau: Mr. Speaker, it is obvious that the hon. member missed the greater part of my speech because I was very careful to state that the present government still adhered to the principle of equalization but that there could be changes made in the formula. There is a distinction, in case the hon. member does not know, between principle and formula.

Mr. Pickersgill: Would the hon. gentleman say what changes the present government has made in the formula?

Mr. Martineau: Mr. Speaker, again my answer is the same. I would have to repeat my entire speech and I think it would be time lost because the hon. member would not understand it anyway.

(Translation):

Mr. Cardin: Mr. Speaker, before the hon. member resumes his seat, I should like to ask him a question. I did not want to interrupt the Prime Minister's parliamentary secretary. Could the hon. member tell us exactly what is meant by the factor of growth, and tell us also the basis on which this factor would be calculated for tax distribution?

Mr. Martineau: Mr. Speaker, factor of growth means exactly the growth of a factor, and if the hon. member does not know the meaning of the word, I suggest that he look it up in the dictionary.

[Mr. Martineau.]

Mr. Cardin: I thank the hon. member for the information he gave me about the word growth. Would he now explain to me how the government intends to determine the basis on which the payments will be made, taking into consideration the factors of growth?

Mr. Martineau: Mr. Speaker, contrary to what was done under the Liberals, this government does not decide on such matters without having discussed them with the provinces, and it is not for me to deal with them here before the provinces have been consulted and have given their opinion.

Hon. Paul Martin (Essex East): Mr. Speaker, I do not intend to follow the hon. member for Pontiac-Temiscamingue (Mr. Martineau) as I feel that he did not talk to the amendment before us. I regret very much that he refused to give us a definition of the growth factor because this is the heart of the amendment before us at this time.

(Text):

I regret very much, Mr. Speaker, that the Minister of Forestry (Mr. Flemming) likewise refused to give us an explanation of what is meant by the factor of growth which is, of course, the heart of the matter before us at this time. If we had had from the Minister of Finance (Mr. Fleming), if we were to have later from the Prime Minister (Mr. Diefenbaker), some indication of what the Prime Minister meant in his letter of yesterday, which he said he sent to the provinces, by his reference to the factor of growth, we could then determine whether or not the government has abandoned the position which the Prime Minister took in July. Then he spoke of his faith in equalization and the determination of his government to see the principle of equalization in federal-provincial fiscal relations perpetuated.

I should like to begin what I have to say by complimenting the Minister of Forestry on the manner of his speech if not on its content. The hon. gentleman has made a very creditable first speech. One recalls, however, that many of the arguments he used today were arguments which he employed in the last federal election, particularly in the province of New Brunswick, when he urged the people of that province to support the present government. They were likewise arguments that he used in part in the last provincial election and the results of that election, of course, made possible his entrance into this house. But the fact is that the people of New Brunswick do not share his very strong and extravagant view of the beneficence of this government, because in that province there is now

a new provincial premier and the former provincial premier has, as I said, made a very creditable first speech in the House of Commons today.

The fact is, however, that neither the Minister of Forestry nor the Prime Minister's parliamentary secretary addressed himself to the issue before us at this time, to the amendment now before the house so ably introduced yesterday afternoon by the hon. member for Richelieu-Vercheres (Mr. Cardin). That issue is whether or not the government is prepared, in accordance with its promise to the Canadian people, to prosecute to the full its assurances with regard to amelioration in the relations which the federal government has with the ten provincial governments.

Mr. Chambers: That is done.

Mr. Martin (Essex East): The hon. member says that is done. Whatever has been done during the last forty eight hours has been as a result of the prodding by this party on Friday last and by this amendment, as I hope to show before I take my seat. Certainly we should have had from the parliamentary secretary today a definition of what the Prime Minister meant when he said in his letter to the provinces *inter alia* that he would hope that the equalization total might be distributed in such a fashion as to give greater weight to provincial fiscal needs and that the government would also take into consideration the factor of growth. We have not had that from the parliamentary secretary what is meant by the factor of growth, and in spite of repeated questions and requests yesterday by hon. members on this side we have not had from the Minister of Forestry today, a member of the government, any explanation as to what is meant by the factor of growth. A few moments ago the parliamentary secretary said to the hon. member for Richelieu-Vercheres that anybody knows what the factor of growth is, and exactly the same reply was given to us yesterday by the Minister of Finance.

Mr. Martineau: We speak in plain terms.

Mr. Martin (Essex East): The real fact is that the government has not yet decided what it means by the factor of growth. I venture to challenge the Prime Minister to tell us before this debate is over what he meant in the letter signed by him, a letter which undoubtedly was prepared and dictated by the Minister of Finance, in using the words "growth factor". If the Prime Minister wants us to regard that letter as indicating the government's stamp of faith in this matter, let him tell us, the provinces and the country generally precisely what is meant so that we will be able to determine whether or not the government is going to adhere to the assurances of the Prime Minister given in July, given prior to the last election in Winnipeg and given in 1957 in the same city, in absolute contrast to the reluctance of the Minister of Finance to forecast beyond one year what the government of Canada was going to do with regard to equalization payments.

The Minister of Finance chided the house yesterday because the Liberal opposition dared, pending negotiations with the provinces, to raise this matter, as though it was not the responsibility and duty of the House of Commons and of the opposition in particular to ascertain and to obtain precision of government policy in all aspects. Why dominion-provincial fiscal relations should be excluded is very difficult to see, but the Minister of Finance chided us yesterday as though when he was sitting in the opposition he was reluctant to question the government of the day with regard to matters involving negotiations with the provinces, as though in those days he was reluctant to criticize the government or examine policy when negotiations of another character were under way.

It is the duty of the opposition, Mr. Speaker, to ascertain whether this government has a real policy in these matters, whether it has changed its policy, whether it is favouring one province as opposed to the nine other provinces, whether it feels that its election commitments are such that it has got to pay greater attention to the most powerful province, economically, the province of Ontario, or whether it is going to give justice to all the provinces in our country. These are some of the issues that are implied in the discussion being carried on in this house. We have a right to ascertain whether there is implied in this matter a secret understanding, not put to the other provinces, between the Minister of Finance and the premier of the province of Ontario. There is good ground for asking this question. At the last conference the only premier who was satisfied with the plan put forward by this government was the premier of Ontario. The premier of Manitoba and the other premiers certainly did not accept it.

Why did the premier of Ontario seem to accept the proposal put forward by the government? I believe it was because the premier of Ontario, the premier of my own province, was opposed to the principle of equalization. This government, clearly, was determined to get rid of this principle and it was prepared to carry out the undertaking which I suspect was given by this government to the premier of Ontario.

An hon. Member: You suspect.

Mr. Martin (Essex East): Of course I suspect because—

Mr. Bell (Carleton): Mischievous.

Mr. Martin (Essex East): —when the present Prime Minister was on the same platform with Premier Frost in Massey Hall in 1957 Premier Frost said, I want $100 million more from the federal government, and I know the only way I can get it is by electing this man, and Premier Frost then put his hand on the Prime Minister's shoulder. Certainly Premier Frost could look to him for the kind of assistance which the premier of Ontario wanted.

Now hon. gentlemen may take issue with what I am saying. Let the Prime Minister rise in his place after I have spoken and deny that there was this understanding with the premier of Ontario, deny that the premier of Ontario did not state that he would be pleased to see this principle of equalization abandoned because Ontario then would stand to gain.

While I come from the province of Ontario, I prefer to take the position that the way we are going to build up national unity in this country is by according to all Canadians the same opportunities, wherever they may live, because in the final analysis they are the ones who supply the federal government with the revenues it receives and with which it carries on and discharges the functions of government in Canada. There can be no other way of carrying on a satisfactory relationship between the two levels of government in Canada than by recognizing that all the provinces have a right to share, along with the more fortunately endowed provinces, in the building of schools and all the other things which Canadians have an equal right to expect from the two senior levels of government.

I believe that throughout this whole matter we have had a demonstration of the real character of this government. We have here a day to day government. Ministers make decisions only when a crisis has developed or when they are under the immediate pressure of the opposition. We have seen evidence of that on more than one occasion. We saw it in the case of the appointment of a royal commission to investigate health insurance. We saw it in the case of the conference of management and labour called by the government with regard to unemployment. We saw it in the matter of the Clark report, an investigation made by the government into the old age survivor system in the United States. We saw it, as the hon. member for Laurier (Mr. Chevrier) points out, in the case of the census questions on which the government and the Minister of Trade and Commerce (Mr. Hees) retreated.

The real fact is that since October last the government has allowed this matter of federal-provincial relations to drift as so many other problems are allowed to drift by this government. The proof of that is seen in some of the questions that were put in this house on Friday last. I refer you, Mr. Speaker, to page 1476 of *Hansard*, where the following questions were put:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I would like to ask the Minister of Finance whether any changes whatever are in contemplation with respect to the tax-sharing arrangements with the provinces for the fiscal year 1961-62.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the ambit of discussion at the dominion-provincial conferences on fiscal questions has been confined to measures in the period commencing April 1, 1962.

Then, the minister went on to deal with something that does not have anything to do with my point. The Leader of the Opposition (Mr. Pearson) put this question:

I should like to ask a supplementary question. Has the minister's attention been drawn to a reported statement by Mr. Frost to the effect that it would be impossible to present a budget, that is in Toronto, until the federal government position is known in this matter?

Mr. Fleming (Eglinton): My attention has not been called to this statement. I heard a reference to it on the radio this morning. Obviously this is a budget matter, and it would not be proper for me to comment on the plans of the Ontario government in relation to budget matters.

The minister then made certain other observations that do not have anything to do with the point I am making. At this point, I interjected:

The minister is not suggesting, is he, that he is not on talking terms with the premier of Ontario?

Mr. Fleming (Eglinton): Oh, no, Mr. Speaker. I am sure that thought would not have crossed the mind of any hon. member but the hon. member for Essex East.

I thanked him for that compliment. The hon. member for Trinity (Mr. Hellyer) then interjected:

He just would not allow the premier of Ontario to get a word in edgewise.

Mr. Pickersgill: A supplementary question, Mr. Speaker—

Mr. Argue: A supplementary question, Mr. Speaker—

Mr. Speaker: I think I ought to hear the supplementary question of the hon. member for Assiniboia.

It is this part to which I ask hon. members on the government side to pay attention as to whether the letter written yesterday was not the result of prodding by the Liberal opposition. I quote:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wonder whether the minister can inform the house

whether a date has been set for a federal-provincial conference involving the provincial premiers in order to deal with fiscal matters.

Mr. Fleming (Eglinton): No, Mr. Speaker.

If that does not indicate a justification for the course taken by the hon. member for Richelieu-Vercheres, then I would like to know what kind of evidence would satisfy hon. members opposite. The fact is that this government had no idea on Friday last when it was going to call a conference. The fact is that on Friday last, and as late as Sunday, the Prime Minister had no thought whatever of writing to the provinces suggesting a proposed date for the conference and he had no idea of using the phrase "growth factor". I shall point out later my reasons for making this statement.

Then, the hon. member for Assiniboia (Mr. Argue) went on:

Can the minister say whether a conference will be held within the next month or two?

Mr. Fleming (Eglinton): I would not expect one would be held within the next short period.

However, this conference is called for February 23. Obviously, even the Minister of Finance, who is generally alert to these things, had no idea of the dangerous trap in which this series of questions was putting him. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) then asked:

Mr. Speaker, if I may ask a supplementary question, is the government contemplating sending any communication on this matter to the provincial governments in the next month?

Mr. Fleming (Eglinton): Yes, Mr. Speaker.

It is true that the letter sent yesterday comes fully within the terms of the reply of the Minister of Finance. However, Mr. Speaker, what has happened is clear. Hon. gentlemen were aware that there was dissatisfaction on the part of at least nine provincial premiers; among those premiers were some strong supporters of the Conservative party, notably the premier of Nova Scotia and the premier of Manitoba in particular. Likewise great concern was expressed in editorial opinion in Conservative newspapers and in other politically affiliated newspapers throughout the country. It was sent only after the Minister of Finance realized on Friday that a supply motion was coming up for consideration on Monday and that it might be this particular question which might be the subject matter of discussion on a supply motion.

I can visualize what happened. On Saturday, after the Minister of Finance had cleaned his desk on going down to his office when all of his staff were away, when he was afforded an opportunity of contemplation, not being disturbed by the presence even of his parliamentary secretary, he suddenly realized that the position taken by the government was one which could not be defended and that something must be done about the matter. He knew what the Prime Minister had said in July about equalization payments. There was not any doubt that the Prime Minister in July affirmed his conviction with regard to and his belief in the principle of equalization payments. That was not always the position of the Prime Minister nor was it always the position of this government. Well do we recall in this house the reluctance of the Minister of Finance to give any assurance that the principle of equalization would be carried on beyond any one year. It was only when confronted with opinion in Manitoba that the Prime Minister, after that reluctance on the part of the Minister of Finance, made the assertion that his government would support the principle of equalization.

But then what happened? In the month of October the Prime Minister changed his mind, the government changed its position, and the communique of October 26, 1960 clearly established that the total of $220 million a year—which included, of course, the Atlantic provinces adjustment grants and the special grants to Newfoundland—was to be frozen. It was as a result of the realization of that fact that there was consternation and criticism all over this country. But over the week end and, I am sure, during the course of the last few days, in thinking about this kind of problem the Minister of Finance has realized that neither he nor the government—and certainly not a government in whose membership is to be found the new Minister of Forestry—could defend a government policy that denied the principle of equalization.

That is the reason the Minister of Finance suddenly got busy. He could not find the Prime Minister on Saturday morning. He could not find him on Saturday afternoon. He certainly could not find him on Saturday night because I understand the Prime Minister was speaking at an extremely exclusive club in the city of Montreal about something that is not my business. However, he got hold of the Prime Minister obviously before the week end was over because a cabinet meeting was held early Monday morning, so we are told. At that cabinet meeting undoubtedly the Minister of Finance presented the Prime Minister with this letter in which it was proposed there would be a conference with the provinces on February 23, and in which were used certain words that have not been defined in this house, namely "growth factor" something which would lend encouragement to the interpretation that the government was relenting in the position it had taken at the Quebec conference.

Why bring this letter forward on that date, namely yesterday morning? Largely because, as often happens in this house, news must have leaked out that the Liberal opposition was going to bring in this particular motion; and the Minister of Finance and the Prime Minister, who is not above doing this sort of thing, said: "We will anticipate them". The Prime Minister said, "We shall have only a few hours, but, Donald, if you rise in your place sometime during the course of your speech on Monday and indicate that I have sent a letter to the provinces, that procedure will take the wind out of the sails of the hon. member for Bonavista-Twillingate and any other hon. member in the Liberal opposition who would likely be attacking us". That is the situation.

An hon. Member: That is not the situation.

Mr. Martin (Essex East): Somebody says, "That is not the situation". I should be happy to have the Minister without Portfolio (Mr. Halpenny) tell us what really went on.

Mr. Pickersgill: The Solicitor General (Mr. Browne).

Mr. Martin (Essex East): Excuse me; I meant to say the Solicitor General. But the matter cannot be allowed to rest there. It is true that we have this letter. It is clear that the government has been prodded into writing this letter, into having a conference and into what could be interpreted as a relaxation of its rigid policy of maintaining for a time equalization payments at a stated level. But this is not good enough. This is not a boys' parliament; this is the parliament of the nation. There sits the government of Canada. It cannot justifiably use trick words in its relations or in its correspondence with the provinces.

An hon. Member: Trick words?

Mr. Martin (Essex East): Yes, trick words; and I say that advisedly. No one can tell from that letter what those words mean and no minister in this debate has been able to tell us what the words "growth factor" mean. I ask the Minister of Finance, who is not here, through his parliamentary secretary to tell us before this debate is over, so that the provinces will know, what is meant by growth factor. On what is the growth factor to be based? The Minister of Finance did not tell us yesterday. The Minister of Forestry did not tell us today. The parliamentary secretary simply said growth factor is growth factor. We are entitled to know what the letter meant.

Is growth factor to be based on population growth or is it to be based on an increase in our gross national product? It could also be determined on the basis of the per capita yield of the three direct taxes at standard rates in the wealthier provinces. Here the basis could be the top provinces, as I should like it to be, or the top two provinces as at present, or it could simply be the national average as requested by the premier of Ontario. But surely we are entitled to know on what this growth factor is going to be based. Moreover, in a debate of this kind I think we are entitled to know not from the parliamentary secretary to the Prime Minister but from the Prime Minister himself.

I should like to have brought before us any precedent for a debate on provincial relations of this character, particularly one that is based upon an initiative taken by the Prime Minister, in which that right hon. gentleman in the course of the history of this chamber has not taken part. The Prime Minister should speak tonight. He should tell us what he means by growth factor. He should also tell us whether I am justified in the surmise that the government had not thought of this matter at all until it heard of our proposed amendment, and only after it had been prodded into it by the brilliant questions of the hon. member for Bonavista-Twillingate.

I have another reason for believing that this growth factor continues to be the essence of this argument. The Prime Minister says: I have never varied from my view that we should accord to the provinces of our country the principle of equalization. He says that notwithstanding the clear words contained in the press release of October 26, 1960 when he said this:

> To meet the needs of the provinces with lower tax potential we would therefore ask parliament to provide equalization payments or their equivalent in a total amount of $220 million a year.

Then he went on further to say this:

> —we . . . would hope that the total might be distributed in such fashion as to give greater weight to provincial fiscal need.

If that is the case, why does the Prime Minister use these particular words in the letter which he addressed to the provinces?

Mr. Churchill: Are you trying to find it? It is on page 1548.

Mr. Martin (Essex East): I welcome the hon. gentleman back from India.

Mr. Churchill: You need somebody's help anyway.

Mr. Martin (Essex East): The Prime Minister says that his view has always been that the principle of equalization shall apply. The Minister of Finance says the same, and he says that all the arguments adduced on this side of the house are without any validity. If that is the case, why does the Prime Minister, in his letter to the provinces—which

is supposed to be dated yesterday morning and which is supposed to have been mailed just before we began this particular debate yesterday afternoon—use these words:

> The federal government is also prepared to make provision for a growth factor in the equalization formula.

Why would he say that the government is prepared to make provision for a growth factor in the equalization formula if that has always been the policy of the government of Canada? The fact is, it was not in October. The fact is that notwithstanding what the Minister of Finance says, while the Prime Minister took that position in July the government took a different position in October. It was as a result of that that provincial premiers condemned this government, and among them particularly the premier of Manitoba.

I have here two press clippings, one dated October 25, 1960, from the Winnipeg *Free Press*.

Mr. Lambert: Oh, oh.

Mr. Martin (Essex East): My hon. friend for Edmonton West does not like the Winnipeg *Free Press*. I quote it with relish because I think it is an excellent newspaper, and the Minister of Finance quoted from it yesterday. Here is what Mr. Roblin is reported as having said on October 25, 1960:

> It would, he said, be "very difficult" to maintain the equalization principle under a new formula which would allow all provinces to set their own tax levels.
>
> Manitoba, he said, would have "little or nothing to gain by getting the right to vary its own tax rate."

I am sure the premier of Manitoba would not have made that statement if he had not interpreted the policy of the government in October as we have interpreted it, as other provincial governments have interpreted it and as every newspaper in Canada has interpreted it. Here is what Mr. Roblin said on October 29, 1960, in an article headed:

> No excuse for refusing tax proposal

An hon. Member: What paper is that?

Mr. Martin (Essex East): The Winnipeg *Free Press*. The heading of the article continues:

> Diefenbaker's plan is termed "Expensive, unnecessary" by Roblin.

Then the article goes on to quote what Mr. Roblin said:

> The real point at issue—

And this is the real point at issue in this particular debate:

> —between the federal government and Manitoba, Mr. Roblin said, is the equalization principle which aims at giving the poorer provinces parity of revenue with the richest. He spoke out strongly against the federal proposals to freeze equalization payments at last year's level for the full five years of the new tax agreement.
>
> The equalization payments, he said, must vary from year to year with the revenue capacity of the government.

Then Mr. Roblin said, as reported in this article:

> If there can be derived a formula on equalization and stabilization that can reach our requests, there can be no legitimate refusal on the part of the provinces to collect our own standard tax.

Then he goes on and I ask the Minister of Forestry to note these words:

> An equalization that depends entirely on a fixed amount, not related in a flexible way to a real measure of revenue capacity changes, as is incorporated in the present agreement by tying it into the standard tax rates, is unsatisfactory to us.
>
> We would urge that equalization should be tied into some such measure of revenue capacity as the standard tax rate or any better measuring rod that can be devised.

There is no doubt, then, what the premier of Manitoba thought as a result of the conference that was held in October last. He saw here a denial by this government of an opportunity which was the only effective means of providing economic justice to the provinces that are less fortunate economically than some of the other provinces of our country. Unless the principle of equalization is to be recognized by the federal government, Manitoba would not be able to share, as it is entitled to share as a member of our national family, whatever economic advantages flow to this country through the avenue of the more fortunate, economically, situated provinces. Likewise the province of New Brunswick. Where would the province, from which the Minister of Forestry comes, be if the principle of equalization were not to be carried forward year by year?

This motion of ours has served to prod the government into some kind of action. First, in calling the provinces together to another conference. Second, in causing the government to realize that the rigid position it took in October was one that could not be accepted by the majority of the members of this house who want to be true to their trust and to the interests of their constituents, and it could not possibly be accepted by the majority of the provinces of Canada.

We have served a valuable purpose in putting forward this amendment. We have caused the government to give further consideration to its policy. We have caused the government at long last to call the provinces together. At long last we have given the Prime Minister an opportunity of triumphing over the ministerial discussions that obviously have taken place in the cabinet between himself and the Minister of Finance.

The story of this administration's handling of federal-provincial fiscal relations is a sorry one. This is the government of the Prime Minister who said in 1957, "Elect us to office; make me prime minister; I will call a conference in September and I will resolve once and for all this problem of federal-provincial fiscal relations".

No conference was called in September, 1957. It is only because of the series of questions put from this side of the house that one was called in November 1957. And what happened in November? Nothing was settled; there was no statement of federal government policy; the conference was adjourned; it was to come back in January of 1958. This government, that was going to settle problems on the basis of consultation and collaboration with the provinces, did not reconvene the conference. Instead the Minister of Finance sent an ex parte telegram imposing on the government of New Brunswick and on all the other provinces of our country conditions to which the federal government alone was a party.

As a matter of fact the telegram was so erroneous in some of its mathematics that the Minister of Finance was put to great embarrassment a few days later when the necessary amendments were made. The reason for that was of course that the Minister of Finance did not prepare the telegram. It shows the great collusion that exists between this government and the present government of Ontario, because that telegram was prepared by Mr. George Gathercole, a very able assistant in the office of the premier of Ontario, and I challenge hon. members opposite to deny that.

Mr. Pallett: Oh, oh.

Mr. Martin (Essex East): The hon. member for Peel (Mr. Pallett), whose contributions always consist of mild interruptions, I am sure is now convinced—

An hon. Member: —that you are crazy.

Mr. Martin (Essex East): —that the opposition has brought the government to a realization that good government in Canada consists of proper relations between the federal government on the one hand and the provincial governments on the other.

The provinces cannot be treated like children. They have a right to have their responsibilities recognized by the federal government. The way to recognize those responsibilities is by treating the provinces as they should be treated, and as they were treated by Mr. St. Laurent, as ladies and gentlemen elected by their constituents to carry on government in the provincial area. They have their responsibilities under section 92 of the British North America Act. We have ours under section 91 of the B.N.A. Act. I call on this government to discharge its responsibilities under section 91, and the way to do that is not by the method employed yesterday, when under the prodding and the compulsion of an opposition it began to do something which it should have undertaken many weeks ago.

Mr. D. V. Pugh (Okanagan Boundary): Before offering congratulations to the Minister of Forestry (Mr. Flemming) I should like to congratulate the hon. member for Essex East (Mr. Martin) on his very great versatility. Over the years the hon. gentleman has demonstrated his ability as president of the Essex East bureau of statistics. This afternoon we have heard him as president of a new bureau, the Essex East detective agency. The hon. member has reconstructed the whole thing. He has told us precisely what has happened. He left nothing to surmise, nothing to conjecture. Frankly, after all the sound and fury is over, and having listened to the whole story, I cannot help feel I would prefer to be guided by one phrase used by the hon. member when he referred to constituents, and to leave these things to the constituents across Canada and their conclusions when they read the hon. member's speech.

There is no doubt in my mind that the constituents are thinking deeply about these questions and are inclined to look at the facts with regard to them. From what I have heard in the last few days I should be inclined to trust the facts as set out by the various hon. members on the government side who have spoken. These facts are hard to refute, and they concern the change which has been brought about in dominion-provincial relationships since 1957, since June 25 of that year, to be exact. I intend to deal with the subject only in relation to my own province, and this at a later time.

May I say that I rise with a good deal of diffidence and a certain amount of humility to follow the Minister of Forestry. This was his maiden speech. The hon. member for Assiniboia (Mr. Argue) afforded him the somewhat dubious compliment of saying it was a good political speech. To my mind it was a good deal more than that. It was a factual speech, and it came from a man who has had a great deal of experience in provincial-federal relations. The hon. gentleman has not only seen all sides of this question but he is also a steady and sound thinker who puts his facts forward very well. I would accept what he has said, together with the various quotations from newspapers which have been put on record. I would accept entirely his contention that in June, 1957 there was a

change in the manner in which provincial ministers of finance were dealt with by the federal government.

I like the remarks made by the hon. gentleman. They were straightforward. He said: Certainly we accepted the deal. We did not like it, but we had to accept it because of the take it or leave it attitude of the government of the day. He contrasted that situation with what took place at a later date and said that a true test could only be made on the basis of comparison. He said, among other things, that after 1957 the federal government was prepared to listen to proposals from the provinces, and I would say, offhand, that the facts bear out this contention.

The hon. member for Essex East made a lot of the position of New Brunswick, but it is only fair to quote a figure, namely that in 1960-61 the provincial budget of that province showed 55.5 per cent of its income to be derived from federal sources. That is, of its total revenue 55 per cent comes from federal sources. That is something to remember. In my own province that figure is certainly a lot less, but it is still a good one. I intend to say more on this point later. The Minister of Forestry brought out certain facts and set them before us very well.

But if anyone had listened carefully to the Minister of Finance (Mr. Fleming) speaking in this house they could not have helped feeling that he knew precisely what he was doing, precisely what he was setting forward; and that there was no deviation in any way from the acknowledged purpose of the government with regard to dominion-provincial relationships.

Mr. Speaker, may I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Pugh: Mr. Speaker, at six o'clock I was saying that my constituents and the average voter anywhere in Canada would accept the statement made by those members of the government and those people who have spoken on behalf of the government as against the sound and fury generated during the last two days by others in this house. I was relating my remarks to those of the Minister of Forestry and those of the Minister of Finance (Mr. Fleming).

On the government side we have two things coming forward, first of all co-operation with the provinces and, second, and perhaps to the average voter much more important, performance.

If you look at the figures given by the Minister of Finance, Mr. Speaker, you will see that in the increase from 10 per cent to 13 per cent—which was voluntary, incidentally—of the provincial share of the yield from personal income tax, the sum of $200 million has been paid to the provinces since we came into power. In addition, if you look at the Atlantic provinces adjustment grant you will see that at $25 million a year the additional sum of $75 million has been paid. If you look at the conditional payments to the provinces by the Liberals in their last year in office you will see that the sum amounted to $111 million, a rather puny figure—and this is the figure they are boasting about—as against the figure of $389 million paid by this government. That is performance.

I go now to British Columbia. Under conditional grants British Columbia received in the last year the Liberals were in power the sum of $17,491,000. The figure in the estimates for British Columbia last year is $61,936,000; $17 million as against $61 million in my own province. That is performance and it should be recorded.

What does it cover? Well, it covers a multitude of things that this government has gone ahead with, far more than has ever been done in co-operation with a provincial government in my province before. I might mention a few, comparing last year as against the last Liberal year. First of all, with regard to highways, mainly the trans-Canada highway but there are others, under the Liberals the policy was barren, negative, stalling; they managed to bring forth $6,680,000 for the trans-Canada highway. This government has spent three times as much, namely $18,872,000. This figure does not include Glacier national park, one of the finest parks in Canada. I hope that the Liberals will use their transportation and come out and have a look at that park which will be completed next year. A lot of expense has gone into it and it is a wonderful park.

I turn next to vocational training which is another phase of the program and into which have gone additional grants. Under the Liberals the figure amounted to $549,000; under the Conservatives the amount has been three times as much, namely $1,553,000. This does not take into account the new legislation brought in this year which expanded and will expand the amount of money going into vocational training as a guide to further employment and the production of further skills in Canada. In British Columbia we took advantage of that and a grand technical school for technical training was erected last year. No doubt in other provinces further work will be done along this line.

I come next to the municipal winter works program. Last year $1,335,000 was spent in

the province of British Columbia. As hon. members know, this legislation has been widened considerably. Take one city, the city of Penticton, in my constituency as an example. Winter works to the amount of $441,000 have been approved this year and this is only one spot. Multiply that by the cities all over Canada which have taken advantage of this forward looking Conservative legislation and you will see what I mean. This is dealing with problems.

In welfare, of course, twice as much has been spent—I will not give the figures—as was spent by the Liberals. The next is slum clearance. In British Columbia alone $700,000 was spent on that last year. The figure for the Liberals was nil under this heading; no advantage was taken of it. This is just one more place where the federal government in conjunction with the provincial authorities has said, "Let us do a job; let us do it together; let us do it in the spirit of co-operation". As I indicated, there was performance last year to the extent of $700,000 in my own province.

Mr. Deschatelets: Will my hon. friend permit a question as this time? Is he in favour of the equalization payment?

Mr. Pugh: If the hon. member would ask a question on the matter on which I was speaking, yes, I would answer.

Mr. Deschatelets: Just tell me.

Some hon. Members: Sit down.

Mr. Deschatelets: Will the hon. member tell me whether he is in favour of equalization payments?

Mr. Speaker: Order.

Mr. Pugh: The hon. member has asked me whether I am in favour of the equalization payments. Why should I, as a Conservative backbencher, take any side other than that which has been publicly stated in this house by the Minister of Finance who has spoken forcibly, sincerely, and, despite all of the rumbling and bumbling that is going on next door, consistently. We have no other axe to grind on this.

Mr. Hellyer: Did you say "inconsistently"?

Mr. Pugh: Mr. Speaker, I have given a few of the figures and there are many more of course. In the province of British Columbia 35.8 per cent of the total budget of the province is provided by the federal government in the form of payments under various acts which have been instituted or furthered by the government. There are many others. I might refer to aid to agriculture. I do not want to go into that in great detail. I think it is sufficient to say that aid given by the government is practically three times the 1956-57 dollop provided by the Liberal government.

In the field of health there have been vast increases brought about in part by the government saying, "We are going to help the hospitals; we will double the ante on beds". That was done. A good many other things were done under the changes they made in the act. The grant for chronic and convalescent beds was increased from $1,500 to $2,000 per bed. The grant for nurses' beds was doubled. As to internes' beds, the Liberals did not give anything for that but we are giving $750 per bed.

Mr. Martin (Essex East): We started it.

Mr. Pugh: The hon. member for Essex East, who has just come in, says that they started it. I will tell you one thing. Verbally the Liberal government started many things but so far as fulfilment is concerned they left a great deal to be done. It is rather nice to be on one side of the fence or the other. It is rather difficult to remain astride but some of these members to my immediate right in the Liberal party are pretty adept at doing just that.

Mr. Hodgson: Mugwumps.

Mr. Pugh: They say that they suggested it but they did not carry it out. I understand from reading *Hansard* of past years that members of the government took a strong stand at that time and pushed and prodded the Liberals when they were in power.

Mr. Martin (Essex East): They opposed family allowances.

Mr. Pugh: What I am trying to get at is that the people of Canada, Mr. Average Voter, decided about three years ago that they had had enough of this business of the Liberals saying that they were going to do all these things and put in a government that would do them. I put it to you, Mr. Speaker, that we now have a government which is doing these things.

Mr. Speaker: Order. I am sorry to interrupt the hon. member but it is my duty to do so pursuant to section 3(d) of standing order 56 and to put forthwith the question on any amendments now before the house.

The house divided on the amendment (Mr. Cardin) which was negatived on the following division:

YEAS

Messrs:

Argue	Bourget
Badanai	Cardin
Batten	Caron
Boulanger	Carter

Division

Chevrier	McIlraith
Clermont	McMillan
Crestohl	McWilliam
Denis	Martin (Essex East)
Deschatelets	Martin (Timmins)
Dumas	Meunier
Dupuis	Michaud
Eudes	Mitchell
Fisher	Nixon
Forgie	Peters
Garland	Pickersgill
Godin	Pitman
Granger	Racine
Habel	Ratelle
Hellyer	Regier
Herridge	Roberge
Howard	Robichaud
Leduc	Rouleau
Lessard	Tardif
Loiselle	Tucker
Macnaughton	Winch—50.

NAYS

Messrs:

Aiken	Grenier
Aitken, Miss	Grills
Allmark	Hales
Anderson	Halpenny
Asselin	Hamilton (Notre Dame de Grace)
Balcer	Hanbidge
Barrington	Harkness
Bell (Carleton)	Henderson
Bell (Saint John-Albert)	Hicks
Best	Hodgson
Bigg	Horner (The Battlefords)
Bissonnette	Howe
Bourbonnais	Jones
Brassard (Chicoutimi)	Jorgenson
Browne (St. John's West)	Keays
Browne (Vancouver-Kingsway)	Kennedy
Bruchesi	Knowles
Brunsden	Korchinski
Cadieu	Kucherepa
Campbell (Lambton-Kent)	Lafreniere
Cardiff	Lambert
Casselman, Mrs.	LaRue
Cathers	Latour
Chambers	Legere
Charlton	Lennard
Chown	Macdonnell
Churchill	MacEwan
Coates	MacInnis
Comtois	MacLean (Queens)
Cooper	MacLean (Winnipeg North Centre)
Crouse	MacLellan
Danforth	Macquarrie
Deschambault	MacRae
Diefenbaker	McBain
Dinsdale	McCleave
Dorion	McDonald (Hamilton South)
Doucett	McFarlane
Drouin	McGee
Drysdale	McGrath
Dubois	McGregor
English	McIntosh
Fairclough, Mrs.	Martel
Fairfield	Martineau
Fane	Martini
Fleming (Eglinton)	Matthews
Flemming (Royal)	Monteith (Perth)
Forbes	Monteith (Verdun)
Fortin	Montgomery
Frechette	Morissette
Fulton	Morris
Gillet	Morton
Grafftey	Muir (Cape Breton North and Victoria)
Muir (Lisgar)	Murphy
Nasserden	Nesbitt
Nielsen	Noble
Nowlan	Nugent
O'Hurley	O'Leary
Ormiston	Pallett
Parizeau	Pascoe
Paul	Payne
Phillips	Pigeon
Pugh	Rapp
Ricard	Richard (Kamouraska)
Robinson	Rogers
Rompre	Rynard
Simpson	Skoreyko
Slogan	Smallwood
Smith (Lincoln)	Smith (Simcoe North)
Smith (Winnipeg North)	Southam
Speakman	Spencer
Stearns	Stefanson
Stewart	Stinson
Tassé	Taylor
Thompson	Thrasher
Tremblay	Valade
Villeneuve	Vivian
Walker	Webb
Webster	White
Winkler	Wratten—158.

Mr. Speaker: I declare the amendment lost. The question is on the main motion.

NUCLEAR WEAPONS—REFERENCE TO REPORTED STATEMENT BY MINISTER OF NATIONAL DEFENCE

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like at this time to report a grievance to the house. My grievance is that there is a division of opinion in the ranks of the government in the matter of nuclear weapons being used and being made available to our defence personnel and that a clear-cut policy is urgently needed at this time. What is even worse is the obvious admission that was made this afternoon by the Minister of National Defence (Mr. Harkness). Our Minister of National Defence this afternoon admitted guilt in that he agreed that he had appealed to the armed services to use their influence to counter "ban the bomb" movements in Canada.

This is a violation of our traditions, namely that in our democracy servants of the crown are subject to the will of the people. The whole of our judiciary and the whole of our armed services bear allegiance to the crown and the crown, by tradition, is subject to the majority decision of the people. A minister of the crown appealing to people on his payroll to come to his defence is a violation of our heritage. Personally speaking, may I say that I have a son who belongs to a reserve unit of the armed forces, and I do not like the idea that the minister responsible would appeal to my boy to oppose the aspirations of his mother who subscribes to the movement in Canada which says that we ought to ban the use of nuclear

weapons by any Canadian, including himself. After all, I am the taxpayer and not my son and I feel that I ought to have more authority than has my son who is a member of the reserve forces.

My next complaint may be regarded as a relatively minor one. However, I feel that it is none the less significant. Immediately after the orders of the day were called my secretary stenographer did her utmost to get information as to what the minister had or had not said last week end. All she asked for was either a copy of the minister's speech or some press releases that had been issued by officers of the navy. It is amazing, Mr. Speaker, how the departments of the minister will run for cover the moment they smell a rat.

Some hon. Members: Oh, oh.

Mr. Regier: You will be given at least a dozen officers and telephone numbers to which to appeal. You will even be told the almost unbelievable story that there is no copy of the minister's speech available, that he merely spoke off the cuff. You know that various press releases of his speech were issued, but to get a copy of one of them is almost an impossibility; that is a horse of a different colour.

I now want to publicly express my appreciation to a member of the press gallery who supplied me with a copy of the press release issued from H.M.C.S. *Carleton,* Ottawa, which among other things has this to say:

> Turning to considerations of defence in Canada, Mr. Harkness pointed out that pacificists and "ban the bomb" movements are apparently being encouraged by groups wishing to prevent Canada from being able to make an effective defence effort. Their propaganda is being well disseminated in the country and the personnel of reserve units of the forces should make an effort to combat it. Being in much closer touch with the general population in their daily lives than men of the regular forces, reservists should counter pacificist and neutralist ideas whenever they hear them expressed.

That is the end of the quotation from the press release issued from H.M.C.S. *Carleton,* Ottawa.

We appeal to the Prime Minister (Mr. Diefenbaker) to express the opinion of the government on this issue as to whether or not Canadians ought to be supplied with nuclear weapons.

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

Some hon. Members: Sit down.

Mr. Regier: Mr. Speaker, I will not relinquish the floor at this moment. I have given my word that I would be brief on this point.

[Mr. Regier.]

We would like to hear especially from the Secretary of State for External Affairs (Mr. Green), and I regret that he has to be absent tonight because the whole of the nation would like to hear from him on this issue in this House of Commons and not at the podium of the United Nations. We would also like to hear an expression of opinion on the part of the Minister of National Defence on this issue.

The government owes to the people of Canada an expression of opinion, and I am convinced that if our heritage means anything, any expression of opinion as to government policy will demand the immediate resignation of either the Secretary of State for External Affairs or the Minister of National Defence.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I would like to take this opportunity to say on behalf of those of us on this side of the house that we agree with the Minister of National Defence (Mr. Harkness) that this is no time for pacificism or neutralism. The Canadian temperament is neither. It has not been in the past, and is not now.

Several times Canadians have been called upon to take up arms in the name of freedom, and each time, without hesitation, they have done so willingly and both on this continent and abroad have fought gallantly for the things in which they believed.

We cannot be neutralist. To be neutralist is to be nothing. We are for something; we are for freedom. If we are for freedom we cannot be neutralist in this struggle. It is not enough to have freedom in Canada. We have to covet this belief for all peoples everywhere.

Mr. Khrushchev said, when visiting this continent, that he intends to bury us. Surely we have to take him at his word. Surely he means what he says, and even if he does not mean that he will bury us by means of force of arms, he means that he will attempt to do so by some other means, whether by the use of economic pressure or through an intensification of the ideological warfare which has been taking place now for some years.

We have to take this threat seriously and we have to do something about it. We are involved in an all-out struggle between two forms of government, the totalitarian on one side and the libertarian on the other. How, in this circumstance, can we be neutral? It is a struggle between tyranny and freedom.

Many people in this country know from bitter experience what freedom really means. Included in the more than one million post-war immigrants who have come to this country are a great many political refugees who have come from various countries behind the iron curtain. Some of them have been

personally persecuted because of their belief in freedom. Some of them have had families persecuted. Some of them have lost their families. Some of them have spent terms in prison camps in Siberia because they refused to be cowed by political tyranny. Believe me, they know what the word "freedom" means, and they are the vanguard of trying to keep this country stirred up to the point where we will not shirk our responsibility.

They know the meaning of freedom. The people from the Baltic states know the meaning of freedom; the people who have come here from Poland or Hungary, or any of the other countries behind the iron curtain, know that there is in fact a struggle and it is going to be waged until one side emerges victorious, either those who believe in the totalitarian system of government or those who believe, as most of us do, in freedom for all peoples to choose for themselves the way in which they would like to live. There can be no neutralism amongst them, and indeed they set a standard for us.

In this situation we must stand with our United States friends. True enough, they do things from time to time which annoy us. True enough from time to time they take us for granted. But notwithstanding that, when all the froth is swept away we must stand beside them, because they are carrying the burden of freedom in the western world and will continue to do so. The least we can do is to make sure that we co-operate with them in any useful venture which will strengthen the western world in this all-out struggle.

Coming now to the means of co-operation, may I say that this government has contributed considerably to the present tendency among some very small minority groups in this country toward pacifism and neutralism.

Mr. Pallett: Including the Liberal convention.

Mr. Hellyer: This government, through its refusal to give the armed forces of Canada the wherewithal to fight has contributed to the feeling of frustration which has given rise to this unfortunate deviation toward neutralism and pacifism.

Mr. Speaker: Order. Before the hon. member for Trinity (Mr. Hellyer) proceeds further I should like to try to enunciate what is the real grievance. At this stage of the proceedings in a supply motion single subjects only may be introduced as grievances. I understood from what the hon. member for Burnaby-Coquitlam (Mr. Regier) said that the grievance he had related to remarks made by the hon. Minister of National Defence (Mr. Harkness) at a meeting the other night during a speech. It did not deal directly with defence policy but the grievance was, rather, directed toward the attitude expressed by the minister at the meeting in question.

I do not think that reference to neutralism would be excluded, but I think the hon. member would be going outside the scope of the debate which has been initiated and should be kept to this single topic until it has been concluded. He should not deal with Canadian-United States defence relations and arrangements.

Mr. Hellyer: You are quite right, Mr. Speaker. That is my grievance and I am coming to it. What I have been giving is, really, background which I think will help in laying the ground for the grievance itself.

Before the election of 1957, the Prime Minister (Mr. Diefenbaker), when questioned during his coast to coast tour, said the Liberals had been telling the people of Canada that if he was elected he would let down the defence effort. The right hon. gentleman categorically told the Canadian people that he would not do so, that defence expenditure would not be cut. The record can be checked on this point.

Mr. Speaker: I thought the hon. member agreed with me that it was the conduct of the Minister of National Defence which was in question. I would ask him to keep to that subject so that it may be dealt with. If there are other grievances they can be dealt with in due course.

Mr. Hellyer: I was just coming to the point, which is that a mess dinner is no place for the Minister of National Defence to make a political speech. From the look of the monkey suit the hon. gentleman is wearing tonight—and it is very becoming, incidentally—it appears as though he may have another such engagement. Perhaps it is part of a campaign. Of course, there is an obligation upon people in Canadian public life to point out to the people of this country in plain terms the issues which confront them. Had he been doing this under proper auspices the Minister of National Defence would have been providing a worthwhile public service. The objection which has been raised by my hon. friend is that the minister chose a mess dinner as the occasion on which to launch this particular campaign.

An hon. Member: How do you know?

Mr. Speaker: The hon. member for Trinity has the floor and I would point this out to hon. members who are attempting to usurp it.

Mr. Hellyer: Thank you, Mr. Speaker. The hon. member for Edmonton West (Mr. Lambert) has just said: "How would you know, you were not there?" I am glad the hon.

member asked that question. Earlier today you, yourself, Mr. Speaker, ruling on a matter of public urgency questioned the administrative responsibility of the minister for this particular act but surely when an officer of the Royal Canadian Naval Reserve issues a public release which purports to give the kernel of what the Minister of National Defence said in his speech, this clearly comes within the responsibility of the minister. When this garbled version—garbled according to the minister—got into the hands of the press, the department gave out a somewhat modified version in order to set the record straight in accordance with the version which the minister preferred. Thus it is clear that this matter does come under the minister's responsibility and that it is a real grievance, because this government which has refused to provide the equipment, the mobility and the fire power necessary to the Canadian armed forces now goes to mess dinners in the person of one of its ministers in order to launch campaigns against the very neutralism which this attitude has itself engendered.

In conclusion, may I say that I think the Minister of National Defence should be reprimanded for skating on the constitutional nicety of encouraging members of the armed forces reserve to take an active interest politically in questions which refer to national defence. I think a measure of impropriety is involved here and I should like to hear the minister's comment on this aspect. But apart from the ill chosen vehicle which the minister used in order to make his pronouncement I must say that I think, should he make that speech outside, in the name of freedom we would have to agree with him that in a struggle involving as it does the whole world, a struggle to which the conclusion is not yet in sight, we must stand together in the name of liberty—

An hon. Member: As bird watchers.

Mr. Hellyer: Mr. Speaker—

Mr. Walker: How can the hon. member for Trinity who chaired the Liberal rally advocating their bird watching policy now do a volte face and recommend a "get tough" policy?

Mr. Hellyer: I was about to conclude my remarks but I hope I can have the opportunity to answer the Minister of Public Works.

Mr. Speaker: The hon. member for Trinity has the floor and, as I understand it, he is concluding his remarks.

Mr. Hellyer: The other day someone told me that when the Minister of Public Works (Mr. Walker) goes duck shooting this fall he is going to take a CF-100 with him for artillery, because that is all the use they are at the present time. If this government has money to spend on lame ducks and Bomarc dead pigeons surely it could find something better than that to do in the name of liberty and in the name of standing with our allies.

Mr. H. W. Herridge (Kootenay West): The hon. member for Trinity (Mr. Hellyer) said the minister chose a mess dinner in order to make an improper statement. Our grievance is that he chose a dinner to make a mess of Canadian practice and tradition.

An hon. Member: You were there too, were you?

Mr. Herridge: No, but my colleague from Burnaby-Coquitlam (Mr. Regier) read the release issued, I presume, by the armed forces public relations department.

This is a serious matter. This is a departure from Canadian and, shall I say, British tradition when it comes to the armed forces. Here is a minister attending a mess dinner and advising the officers present there to use their influence—to exert a certain political influence, anyway—on those people who, he claims, by their efforts in support of peace—good Canadian citizens in every way—aim, so the minister says, to weaken the will of fellow Canadians.

In the first instance, we in this group think it was highly improper to make such a suggestion to officers of the armed forces of Canada and highly improper to refer to good loyal Canadians who are doing their best to do some of the things which are necessary at this time to build up public interest and public concern with international peace and the direction in which we are going. In contrast to the attitude taken by the minister, look at what has happened in the United States. In the last few days President Kennedy has issued a directive: no more talking from generals and senior officers. That is a democratic procedure. The congress of the United States is the place where the talking should be done. With all respect to the armed forces, it is parliament in all democratic countries which forms policy, and the armed forces take their direction from the parliament concerned.

Now I do want to indicate the obvious contradictions in the policies pursued by the Department of External Affairs and the Department of National Defence as indicated by the attitude taken toward the movement know as the Voice of Women on July 28, 1960. The representatives of that movement came to Ottawa. They received the blessing of the Prime Minister (Mr. Diefenbaker), and I give him full marks for that. They received the blessing of the Secretary of States for External Affairs (Mr. Green); they received

the blessing of the Leader of the Official Opposition (Mr. Pearson), and they received the blessing of, let me emphasize, the national leader of the C.C.F.

Mr. Chambers: Who is that?

Mr. Herridge: I am referring to the hon. member for Assiniboia (Mr. Argue), who leads this group so effectively, so efficiently and with such magnificent results in this house.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I admit that the hon. member is asking for it, but perhaps if he were given a respectful hearing he would not be encouraged in that line.

Mr. Herridge: Mr. Speaker, I do not mind the interruptions in the least because it pleases me, Mr. Speaker, to see the whole house listening with intent to what I have to say.

In contrast with the Minister of Defence Production (Mr. O'Hurley), what do those women, who received the blessings of the people I have mentioned, aim to do? They are working for disarmament. Does that weaken our will? They are asking for the abolition of nuclear weapons and their maintenance only by the countries which have them at the present time. They are asking for a United Nations police force, and they are giving consideration to our civil defence and an all-out shelters policy.

Those women have been working effectively, Mr. Speaker. I know some of them are active and prominent in the Conservative party. I know some who are quite active and prominent in the Liberal party, and I would say this, they have more courage, conviction and guts than the hon. member for Trinity (Mr. Hellyer). They say where they stand.

Those people are doing good work as Canadian citizens in a democratic country, as the Secretary of State for External Affairs informed them only three or four days ago on their second visit to Ottawa. With respect to their activities, a minister of the crown said yesterday that he had received many reasonable and responsible letters from persons who had joined this group and had been influenced by this devoted group of women. There once again be blessed these persons I have mentioned and their work and I think they should be. They are giving consideration to these problems.

It is not a clash of ideas as to whether we shall do this or that in Canada that will weaken our will. What will weaken our will in international affairs, in national affairs and in local affairs is a growing sense of cynicism and indifference to things we should be concerned about. That is the thing that will weaken our will. It is because of people such as these to whom I have referred—we may not agree with all they say but they are good Canadian citizens putting forth their views—that we in this group think it is most unfortunate, most improper, out of line with our Canadian tradition, that the hon. member and gallant Minister of National Defence (Mr. Harkness)—and I give him full credit in that direction; I know of his record in war—should suggest to the officers of the reserve forces that they should go out and use their influence to defeat the efforts of the very women who have received the blessing of the Prime Minister, the Secretary of State for External Affairs, the Leader of the Opposition, the leader of the hon. member for Trinity, and the national leader of the C.C.F. I protest very strongly. This may seem to be a minor matter, but it is a precedent, it is the first time. I do urge on behalf of this group that the minister give this question very serious consideration. We trust, Mr. Speaker, that after listening to the remarks of the members on the opposition side of the house and having a quiet night of sleep and meditation, he will return in the very near future and correct his unfortunate position in this respect.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the members to your immediate left, the C.C.F. party, have been very well known in the past for their ability to attempt to make mountains out of molehills. I think they have surpassed themselves tonight; they have tried to make a mountain range out of a grain of sand. The hon. member for Burnaby-Coquitlam (Mr. Regier) has made various accusations against me based on the story written by a reporter who was not present at the time that the alleged remarks were supposed to have been made and which, as I indicated this afternoon, did not bear a very close resemblance to what I actually said at the mess dinner in question.

A great deal of this talk that we have had from the hon. member for Burnaby-Coquitlam and the hon. member for Kootenay West (Mr. Herridge) seemed to revolve around nuclear weapons and so on. As I made it extremely clear this afternoon, I made absolutely no mention of nuclear weapons at this particular mess dinner. I did not have them in mind in any way whatever and I think anybody who was present at the mess dinner would be prepared to say that that is so, that there was no mention of them whatever.

Then, of course, the hon. member went on and attempted to state or to give the impression that this is what I was talking about; that then I was attempting in some way to

introduce politics and to make political converts, or something else along that line, at the mess dinner. Nothing was further from my mind and nothing, I am absolutely sure, was further from the mind of any member of H.M.C.S. *Carleton* who was present. The effort, supposition, imagination or whatever you should like to call it on the part of hon. members opposite who tried to make out that there was anything political in the remarks that I made is completely absurd. There was nothing political in them whatever. There was no attempt made and no idea of there being anything political in them, and if my hon. friends in the Liberal party would like to ask the son of one of their senators who was there I think he will completely confirm that that was the situation. Certainly nobody ever raised any such idea or had any idea along that line as far as I am aware, and I am quite sure that this is so because there was no excuse for it at this particular dinner.

I hope this effectively disposes of the two allegations which have been made by hon. members opposite in connection with the remarks I made at this particular mess dinner.

The hon. member for Burnaby-Coquitlam tried to make a point of the fact that there was a copy of the speech, and then there was none, and so on. Then he said there was something that had been issued by an officer of H.M.C.S. *Carleton*. I can assure the hon. member and all other hon. members that I went to this mess dinner without any pieces of paper of any kind, and I spoke entirely off the cuff without any notes such as those in my hand, or of any nature whatever and, therefore, naturally there was no copy of the speech.

Mr. Regier: The minister admitted it earlier today.

Mrs. Fairclough: He did not.

Mr. Harkness: I did not admit any such thing; I could not have admitted any such thing because there was no such copy in existence, as a matter of fact. This is just another example of how the hon. member imagines something and then tries to put words in somebody else's mouth and makes completely incorrect accusations.

Mr. Regier: Just read *Hansard*.

Mr. Harkness: Completely without my knowledge, apparently one of the officers who was present at this mess dinner, and I presume he has the right to do so if he wishes, did put out some sort of account of what went on at the dinner and this was, I presume, issued to the press. However, as far as I am concerned, as far as my office is concerned, there is absolutely nothing to any accusations such as the hon. member for Trinity (Mr. Hellyer) made that there was a modified version issued from my office. I saw this reported in newspaper accounts and I questioned the people in my office. After investigation they came back and told me that this was completely incorrect.

Mr. Hellyer: This came from a very reliable source.

Mr. Harkness: This is another example of the way in which this matter has been blown up out of all recognition and a certain amount of confusion seems to have arisen over it.

Mr. Regier: We could not get anything out of your office.

Mr. Harkness: I should like to make it clear again that at this mess dinner I expressed my opposition to neutralism and to pacifism as expounded by those who advocate unilateral disarmament and so on as far as Canada is concerned, and I expect to continue voicing my opposition to ideas of that kind. I think I would be a very poor minister of national defence if I did anything else. I quite understand that the C.C.F. party has a neutralist and pacifist outlook—

Mr. Regier: That is boloney and you know it.

Mr. Harkness: —and policy.

Mr. Regier: That is boloney.

Mr. Kucherepa: Determined at Regina.

Mr. Harkness: However, I would be very much surprised if any considerable proportion of the Canadian people supports them in that attitude. In fact, I feel quite convinced that the great majority of the Canadian people are just as determined as I am to see that the country's security is properly protected and the country is properly defended.

The hon. member for Trinity, as is usual with the Liberal party with respect to defence matters, was trying to be on both sides of the fence. He applauded the kind of remarks I made but at the same time he tried to say that I should not have made them, that there was a political manoeuvre or something of that sort on my part in making these remarks at this particular mess dinner.

Mr. Hellyer: Very logical and consistent.

Mr. Harkness: Of course, I have already dealt with that point. This is not the time to enter into a debate on defence policy. In fact, Mr. Speaker prevented the hon. member for Trinity from pursuing that line as he was attempting to do, but I must say I was extremely surprised at the general line taken by the hon. member in view of

the resolutions passed at the Liberal rally over which he presided as chairman.

Mr. Kucherepa: Phony Liberal policies.

Mr. Martin (Essex East): On a point of order, Mr. Speaker, you ruled that this kind of discussion was out of order and the Minister of National Defence, acknowledging that that ruling has been made, now defies it. I suggest to Your Honour with great respect that the minister should be asked either to take his seat or to take another line altogether because he is now transgressing a ruling that you made.

Mr. Kucherepa: Are you one of the bird watchers, Paul?

Mr. Speaker: I understood that the minister was dealing with some remarks which had been made by the hon. member for Trinity but it is true that he seemed to go beyond that in referring to certain resolutions which have not heretofore been mentioned.

Mr. Kucherepa: They want to forget them.

Mr. Speaker: I shall allow him to continue with the reminder that he himself has already declared that this is not a defence debate.

Mr. Harkness: Mr. Speaker, I agree with your ruling that this is not a defence debate and, as you indicated, I brought up this matter only because the hon. member for Trinity brought it up and was allowed to continue for a considerable length of time. I think it has always been your custom under those circumstances to allow at least a few words in reply—

Mr. Martin (Essex East): Not at all.

Mr. Harkness: —when statements of this kind are made. However, I will only say further in connection with the matter that if the Liberal party could for once come down on one side or the other on this particular question or any other question I think they would be a great deal better off than they are in the extremely ambiguous and anomalous position in which they find themselves at the present time.

Mr. Speaker: Is the hon. member for Vancouver East rising on a new matter?

Mr. Winch: On the same grievance.

Mr. Speaker: I do not propose to stop the hon. member but I suggest to him that in order that there may be some systematic procedure during the grievance period hon. members who wish to speak to a grievance should do so before the minister concerned replies. No one rose before the minister but as he does not close the debate the hon. member can proceed on this matter if he wishes to do so.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have listened very carefully to what has just been said by the Minister of National Defence (Mr. Harkness) and at the outset I want to say that the minister cannot brush this matter aside as being something of no importance. In his opening remarks he stated that we in this group were endeavouring to make a mountain out of a molehill. All I can say is that if it is not a mountain it is a mighty big molehill. The grievance that has been raised is a most important and serious one. It must be or I would not be on my feet.

Some hon. Members: Oh, oh.

Mr. Kucherepa: That is the biggest joke of all.

Mr. Winch: It is quite obvious from the remarks of the Minister of National Defence that as a tactician in the military sense he agrees with the old statement that the best defence is offence because that is exactly the strategy which he used. The grievance that has been raised has nothing whatsoever to do with what is the defence policy or international policy of the C.C.F. or whether we are or are not neutralist or pacifist in our policies. I am not going into that question, except to say that the minister is absolutely wrong there, because that is not the matter before us.

The matter before us is a most serious one. First of all, as has been pointed out by the hon. member for Kootenay West (Mr. Herridge), this is what we term a break in tradition with respect to what, according to the press, was said at a meeting addressed by the minister and it is also something which, for a minister, was in exceptionally bad taste. I could not help noting, that in his remarks the Minister of National Defence made some reference to a press report but it must have been noted by all that he did not deny the correctness of the press release issued by the public relations officer of H.M.C.S. *Carleton*. That press release, which has already been quoted and not denied by the minister, reads in part as follows:

> Turning to considerations of defence in Canada, Mr. Harkness pointed out that pacifist and ban the bomb movements are apparently being encouraged by groups wishing to prevent Canada from being able to make an effective defence effort. Their propaganda is being well disseminated in the country and the personnel of reserve units of the forces should make an effort to combat it. Being in much closer touch with the general population in their daily lives than men of the regular forces—

As I say, it has not been denied and we say that it is in bad taste, that it should not have been done and that it goes beyond tradition with respect to the relationship between a cabinet minister and any segment of the armed forces.

Mr. Speakman: On a point of order, Mr. Speaker, would the hon. member identify the document from which he read?

Mr. Winch: Yes, I have read from a press release from H.M.C.S. *Carleton*, Ottawa.

That phase of our grievance has been discussed already by the hon. member for Burnaby-Coquitlam (Mr. Regier) and the hon. member for Kootenay West. I should like to speak on a phase of this grievance which is of the utmost seriousness. I refer to the fact that such a statement can only be taken as the policy, the new thinking of the Minister of National Defence, that organizations of Canadian citizens who want to work for peace are basically subversive. This is the only interpretation that can be placed on these remarks which have not been denied, that some of these people are organized to work for peace and to ban the bomb.

It is essential, Mr. Speaker, that the people of Canada should have an understanding of the position of the minister and, therefore, of the government on the question of banning the bomb and on the question of nuclear weapons, not on whether or not we should have them, but on the question of nuclear weapons themselves. I am going to make this statement as brief as I possibly can.

I had the privilege of being named a parliamentary observer to the United Nations during the first two months of the fifteenth general assembly in New York. During those two months I do not believe I missed a day in the plenary sessions or a day in the No. 1 committee in which matters of this nature were discussed. I believe I heard the representatives of 31 countries speak in that No. 1 committee. I heard the speech which was made by the Prime Minister of Canada (Mr. Diefenbaker) in the plenary session. I want to say here that I thought it was an excellent presentation. I had the privilege also of sitting immediately behind the Secretary of State for External Affairs (Mr. Green) when he made his presentation in the No. 1 committee of the proposals put forward on behalf of Canada.

Mr. Speaker: Order; if I may interrupt the hon. member, it seems to me he is getting afield again. The alleged grievance relates to the advice given by the minister to members of the armed forces at a dinner. It does not relate to defence policy or to meetings of the United Nations. It has to do with a meeting of the defence forces at a mess dinner, and it is within that scope that the matter ought to be discussed.

Mr. Winch: I am completely within that scope. It is not only the fact that the minister made certain statements that is important, but the statements which he has made are imporant. Among those statements is one which can only be construed as an attack on those people who are organized across Canada for the purpose of achieving peace and one of those purposes is to ban the bomb. Surely I can point out the seriousness of what the minister did and the seriousness of what he said.

Mrs. Fairclough: How do you know what he said?

Mr. Winch: He has not denied the P.R.O. report here. He has evaded and dodged, but he has not denied it. He did not deny it when he was approached by other members of the radio, T.V. and press corps. He has not denied it in the House of Commons. I maintain, sir, and I know that you will agree with me, that I have the right to discuss the statement that was made and say that we consider it very serious in relation to the statements I distinctly heard time after time in the United Nations during September, October and November which called for a cessation of nuclear testing, which put forward a policy of non-expansion of nuclear testing and which called for immediate action to get the Geneva committee of ten operating again to achieve complete disarmament. Those are things that were said at the United Nations and which we certainly hoped represented government policy.

If there is to go out in the name of the Minister of National Defence, and not denied, this approach that is reported from H.M.C.S. *Carleton*, then I say it is a matter of serious import to the people of Canada. They do not know what the policy of this government is, and whether or not it is subversive to go out and advocate the banning of the bomb. What is of even greater importance is the reaction of our friends in the United Nations, and in particular the uncommitted nations. I intend to speak on that particular phase when the opportunity presents itself.

I say that this is not something that can be brushed aside. This is a matter of supreme importance to the Canadian people, not so much the fact that the minister made a speech but what was in the speech. I would not term it a directive because he could not give a directive of this nature, but there was at least a definite inference, an indirect direction, that the reserve officers should use their influence in their daily lives

to oppose these movements for peace in Canada along the lines of the ban the bomb movement.

This is a most serious matter. I maintain it is a breach of a cabinet minister's responsibility and something which can only cause confusion in the public mind and in the international mind, something to be most roundly condemned and most bitterly attacked. The minister should exhibit a greater sense of responsibility when he speaks as a minister, whether in this house or outside of it, because whether he likes it or not he does speak as a cabinet minister. The most important thing is not whether he knew the statement would be reported, but what the views of the minister were. I take this matter so seriously in its national and international implications that I believe, unless the minister tells us here and now that this report which he has ignored so far is completely incorrect and that he did not infer anything like that, there is only one thing for the minister to do and that is the decent thing as would be done in Great Britain, immediately resign his portfolio.

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): I suppose, Mr. Speaker, that the government can take some satisfaction from the fact that the only matter the opposition can find upon which to raise a grievance on the first occasion on which an opportunity is presented is a report of what someone said that someone else said that the minister said at a dinner at which no notes were taken. It seems to me that both this afternoon when this matter was first raised, and this evening, the minister has been most clear in explaining, first of all, what he said and, second, how it came about that the press report was in the form in which it appears. He is the Minister of National Defence. He was speaking to members of the armed forces and he spoke on defence. Upon what else would he speak? He expressed his opinion because he is a man who has the courage to express his opinion on this matter.

However, he has made it clear, and the press release that was read out a few minutes ago makes it clear if it is read carefully, that he advocated no political action on the part of his audience; that he did not oppose those who advocate peace. Surely, no government, no group in the history of this country has a greater record in the search for peace and disarmament than this government.

Mr. Peters: Nobody made more promises either.

Mr. Chambers: This was not a question of promises. This was action in the United Nations, action at Geneva and action right in this House of Commons in giving expression to the policies.

Mr. Hellyer: Failure in the United Nations, failure at Geneva and failure in the House of Commons.

Mr. Chambers: It is a new line that the hon. member for Trinity (Mr. Hellyer) is taking when he says that Canada was responsible for the failure at Geneva.

Mr. Hellyer: I did not say it was responsible. Just that its success is indicated by the results.

Mr. Chambers: There is a difference, Mr. Speaker, between being in favour of peace and working for peace through the international media that are provided for that work and advocating unilateral disarmament. There is a difference also, I suggest, between those who honestly and from conviction advocate that point of view and those groups who for their own particular and suspicious purposes may foster these movements. I think a close reading of the press release, if indeed it reflects the words of the minister, will show that distinction was made.

However, we have had here this afternoon two extremely interesting demonstrations, one on the part of the C.C.F. party who are attempting to take unto themselves the mantle of being the only group in this country who are in favour of peace and that on the part of the hon. member for Trinity who has announced the third Liberal defence policy in the period of about a month.

Nowhere, Mr. Speaker, has there been the slightest substantiation in any of the speeches made from across the floor of the house of the allegations that the minister in any way acted improperly or the allegation that he did anything in fact but get to his feet and honestly express his opinions on the defence of this country.

Mr. Frank Howard (Skeena): Mr. Speaker,—

Mr. Speaker: Is the hon. member for Skeena rising to speak on the same matter?

Mr. Howard: On the same subject matter, Mr. Speaker, yes. I have only two or three brief comments to make, some of them occasioned by the remarks of the hon. member who just took his seat. I point out to him that because we have such an inept, bungling government in the house, that this is not the only subject matter that could be made the point of discussion this evening.

An hon. Member: What about divorce?

Mr. Howard: My hon. friend may be desirous of obtaining one or he may need one, but that is his problem not mine.

An hon. Member: "Honi soit qui mal y pense."

Mr. Howard: There is that nasty innuendo again.

Mr. Speaker: Order. The hon. member precipitated the comment by a personal reference which had nothing to do with the subject under discussion.

Mr. Howard: The reason that this matter is raised is the extreme and immediate seriousness of it. It is more than a question of differences of opinion in the cabinet which are quite obvious. It is a question of the very lives of the people of this nation and of other nations. The very lives of children are involved if we are going to embark on a program directed to the end of becoming a nuclear power and if we are going to follow the program advocated by the Liberals when they were in office. I do not know what they are advocating now, really; their policy moves too fast for me to keep up with it. But the program advocated by that party and by the government in office, that is the ultimate end to which it is leading. That is the reason the matter is raised.

It is a serious question of war or peace. It is not a question of accusations about positions or unilateral disarmament, whether or not they are advocated by anyone in this house. It is a matter of action by the minister and of the split personality that exists in the cabinet over this matter. I submit, Mr. Speaker, that it cannot be brushed aside or be pushed off into one corner by some—and I use this word in a general sense—scurrilous innuendos, without naming the people to whom they are directed.

As the parliamentary secretary indicated, the activity of the Minister of National Defence (Mr. Harkness) was not improper. It is his responsibility as minister to speak his mind. But it is the statement that he made to promote in the armed services political activity, attempting to undo all the fine work in this matter by people like Dr. Schweitzer, Dr. Linus Pauling and others. I submit that this is the result of straight absolute confusion in the minds of the government about this matter. This is the effect of the statements of the Minister of National Defence.

I listened with interest to the comments of the hon. member for Trinity (Mr. Hellyer). It is obvious that he still thinks he is associate minister of national defence in exhibiting that sort of schizophrenia for which the Liberal party is responsible. I have in my hand a document; I will be gracious and call it by that name. It is entitled "The Record Speaks". It is published by the Conservative association of Canada, I presume.

An hon. Member: Have you read it?

Mr. Howard: Yes, I have read it.

An hon. Member: It is good is it not? There is nothing wrong with it.

Mr. Howard: The hon. member says there is nothing wrong with it. It is full of falsehoods. I will relate them at another point.

An hon. Member: You are losing your sense of humour.

Mr. Howard: When I look at my hon. friends my sense of humour picks up.

Mr. Speaker: Order. The hon. member is taking off at a tangent, if I may say so. If he wishes to relate the document to the grievance, I suggest that he do it before he pursues it.

Mr. Howard: I had fully intended to do so immediately but I was being pushed to one side by hon. members who remain in their seats. On page 14 of this document—I do not know whether it is a serial story or what it is—this particular piece of fiction, there are some quotations from the Prime Minister (Mr. Diefenbaker) at the United Nations, September 26, 1960, a period of time to which my colleague, the hon. member for Vancouver East (Mr. Winch) referred. Like my friend the hon. member for Vancouver East I think they are excellent comments dealing with this self-same subject matter. I wish to quote from "The Record Speaks". You will notice, Mr. Speaker, that the colour has changed. It is getting to be a paler and paler blue all the time.

An hon. Member: You are getting deeper in the red.

Mr. Howard: In the financial part it gets deeper in the red. As found at page 14, the Prime Minister said this:

> I have frequently had occasion to urge publicly the end of nuclear weapons, the systematic control of missiles designed to deliver nuclear weapons of mass destruction,—

And so on.

> Canada over and over again has advocated an end to nuclear testing.

He is another one who would ban the bomb, another one of those individuals whom the Minister of National Defence would like to send his charges off to quell. The country is full of people who believe explicitly in what the Prime Minister said. But the more that we get statements by the Minister of

Agriculture or rather, the Minister of National Defence—and I keep thinking of him as the Minister of Agriculture—it is obvious that he is going to make as much of a mess of this department also as he did of that one.

In any event, statements of this nature made by the Minister of National Defence, which by his silence must be accepted as factual, unless he now, in a belated way, wants to repudiate them and say he did not make them, will within this country undo all the good that has been done, as I said, by people like Dr. Schweitzer and Dr. Linus Pauling and the 2,000 scientists who signed the petition, and the work that has been advocated by the Prime Minister at the United Nations. It will also undo the work that has been done by the Secretary of State for External Affairs (Mr. Green) on the disarmament question. All this work could well be unravelled, undone, emasculated and ruined by irresponsible statements of the nature of those attributed to the Minister of National Defence.

It is perhaps obvious that his long attachment with the Department of Agriculture got him in close association with what is decently referred to as fertilizer and which is now slopping over into defence policy.

An hon. Member: That is your level.

Mr. C. S. Smallwood (Battle River-Camrose): Mr. Speaker, my remarks on this matter which has been brought up by the C.C.F. tonight is, as the minister has said, trying to make a mountain out of a grain of sand. It is just another illustration of the tactics they have carried on in this house.

No man and no government in this country is more interested in disarmament and the abolition of nuclear weapons than the Prime Minister (Mr. Diefenbaker) and this government. But it is our duty to protect this country. We have never been known as an aggressive country. We are a country wishing to protect ourselves and the western hemisphere. It seems to me—and this is my own opinion and I have a right to that opinion—that that little corner down there would like to see our defences weakened by the abolition of nuclear weapons so that their big brothers from Russia could overrun this country.

I say that on these grounds, and I will quote a few remarks that I have here. Even the late Mr. Woodsworth, the first leader of the C.C.F. party, confessed on February 1, 1933, in the house of Commons:

> It may well be that force may prove inevitable.

Then we go on to 1943, when the hon. member for Vancouver East (Mr. Winch) made that notable speech in Calgary. This has been recounted before, but I think it should go on record again. These are his words, as reported by the Calgary *Herald:*

> Asked about the position of the police and military forces in the event of moves for a change, Mr. Winch said that when "we become the government we will introduce socialism immediately," and would use the power of the police and the military forces to force those opposed to obey the law. "Those who defied the government's will would be treated as criminals," he declared, adding "If capitalism says no, then we know the answer—so did Russia".

These are the statements on which I am basing my opinion. There are one or two more. There is the statement made by Mr. Woodsworth on April 23, 1935:

> "The socialist", Mr. Woodsworth says, "stands for the abolition of capitalism".

Mr. Winch: Mr. Speaker, I rise on a point of order. I may be confused, but may I ask you whether the grievance is regarding a speech made by myself allegedly in 1943, or is it in reference to a speech made a couple of days ago by the Minister of National Defence?

Mr. Speaker: Perhaps the hon. member who has the floor would indicate how he relates these matters to the point of grievance.

Mr. Smallwood: I am just relating the reasons why they are bringing up this matter. They want us to give up nuclear weapons so that their big brothers in Russia can take over. I just have one more statement. This was reported in the Calgary *Herald.*

Mr. Winch: If it is mine, I hope it is correct this time.

Mr. Smallwood: Speaking to a C.C.F. rally of 1,000 people on April 23, 1935, Mr. Woodsworth made this clear and unequivocal declaration:

> The doctrines of the C.C.F. are the doctrines of the united front or communist, and all that keeps us apart is a difference of tactics and a suspicion of insincerity.

That is why this matter has been brought up tonight. They do not want nuclear weapons in Canada for the simple reason that they want their big brothers in Russia to overrun this country, and we in this capitalist country do not want that.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am surprised how such a simple little grievance—

Mr. Speaker: Are your remarks on the same matter?

Mr. Peters: Yes, Mr. Speaker. I am surprised how such a simple little grievance should raise such a storm of protest. It would seem to me that the minister in this case made a speech at H.M.C.S. *Carleton.* I think

he admits that. I think he also admits that he stated a new policy as far as the reservists of Canada are concerned.

As an active military man over the years, with a good reputation, and getting into a department now that he should know something about—certainly more so than in the previous department—I am not surprised to find that he has asked his reservists to do something that he wishes to be done.

Reading the press statement we come to the conclusion that the reservists in Canada are going to be asked to help the minister in this way, "Let us get as big an appropriation out of my cabinet colleagues as possible and we will keep all you boys employed".

I do not blame the minister for this, if he wishes to do it and has the inclination. If he is, as the minister was, asked to make that statement, then he should make it. But I think the question now is not whether the C.C.F. is interested in banning the bomb, or whether we are neutralists, or what our position is going to be, but whether the minister agrees with the statements he is reported to have made at a meeting that he attended.

I think it is that simple. If this is a new policy of the Conservative party, then I think the Prime Minister (Mr. Diefenbaker) should be told; I think the Secretary of State for External Affairs (Mr. Green) should be told, because we have three or four different policies going around. We in the opposition are entitled to know what the stand of the government is.

I do not believe we will ever find out what the Liberal stand is; we cannot follow them. If we are going to have airplanes, we can bird-watch; if we have no airplanes we cannot even do that. So I am not particularly concerned with what they stand for. I am concerned with the fact that the Canadian reservists should have an honest appraisal of what they are doing. If we are going to ask them to go out and spread our military strength, the fact that our country has a capable defence, then I think the minister should say so. He should be quite proud to say that that is his opinion and go on from that supposition.

If he was misquoted in this case; if he did not say that, he should say so. It is true that over the years reservists have been allowed much more freedom than the active army, the active air force or navy, who have been told they are not to participate in political action of any description except by special request, although allowance was made for certain people in the services to declare themselves political candidates during the period of war. With that exception they have not been able to do what the reservists have been able to do; but they are not acting in the line of duty.

If this is a change in policy—and it appears to us to be a change—then I think the minister should say so. But if he says this, I think he must go much further and make the statement that is requested by the opposition. He should give out information that is contrary to that being propagated by "ban the bomb" and other pacificist organizations. He should be in a position to give to the reservists more than just the speech that he gave off the cuff. He must come out with the new policy so that the reservists will have some opportunity at least of being informed, or half as well informed as the opposition.

The Prime Minister is giving leadership, the Secretary of State for External Affairs is giving leadership to those who say we should work toward disarmament and peace, toward banning the bomb. I think that at least the reservists should be given enough information so that they are not going to look silly putting forth a half-baked scheme that the minister may get up for his amusement for an after-dinner speech.

As I see it, that is all that is involved in this particular matter. If the minister has been misquoted, if he does not believe these things, then he should say so. If he does believe them he should have the gumption, in my opinion, to stand up and say, "I said them; I stand behind them, and if the other cabinet members do not like it they can go jump in the lake".

(Translation):

Mr. Louis Fortin (Montmagny-L'Islet): Mr. Speaker, I listened, along with everybody else, to the remarks of the Minister of National Defence (Mr. Harkness) and, surprisingly enough, with my limited experience of only two and a half years in this house, I managed to understand fully the explanation provided when old-timers of the parliamentary scene do not seem to understand it or at least are not willing to understand it.

We are called upon at times to account to our constituents for the work being done in the House of Commons. I believe it would be very difficult to explain to those who elected us the hour and a half we spent tonight discussing this problem.

The government has to find answers to serious problems. Some important legislation is awaiting our consideration. And we are being asked now to spend an hour and a half to discuss a matter that the minister might have raised some place.

Mr. Speaker, for my part, I would rather consider, first of all, the military record of the Minister of National Defence and then his accomplishments both political and administrative. What he told us tonight in this house is worth a lot more than all those reports which were read to us and whose origin cannot even be ascertained.

I would rather stick to the tradition existing in this house and which gives a member claiming to have been misquoted, let us say, in the newspapers the opportunity to explain the situation and to have his word accepted by his colleagues.

The Minister of National Defence explained to us tonight what had taken place. I think we should all accept his word of honour. Second, he has witnessed and lived through the very events that he related.

Consequently, we are faced here with only hearsay such as the C.C.F. party like to spread. They preferred to rely on what they may have read.

The minister, who naturally was present on that occasion, told us exactly what had taken place, and I feel his word should be accepted. More especially as the position he holds is so closely connected with the one occupied by the Secretary of State for External Affairs (Mr. Green) and both these gentlemen, let me emphasize it, have done a lot to bring about a well balanced and controlled disarmament.

At all events, I think this debate will have been a good thing since it will have indicated that our people—who are so much interested everywhere in the work done by the Minister of National Defence and the Secretary of State for External Affairs—can be very happy about the task performed by these two ministers.

I am not suggesting that this debate was begun in bad faith, I am only suggesting that it will nevertheless have been beneficial to the people.

Mr. J. A. Habel (Cochrane): Mr. Speaker, on this same grievance I will say only a few words. Indeed tonight's discussion should produce good results, I hope.

Not too long ago, the Prime Minister (Mr. Diefenbaker) stated that the Conservative party failed to make its record known to the Canadian people. Ever since that statement was made, we have noted that ministers, took turns in delivering speeches here and there. Saturday's speech was one of the series; quite often however, those same ministers have had, not to retract, I would not say that, but they had to correct newspaper reports.

An hon. Member: To clarify.

Mr. Habel: To clarify, if you like. Then, to use the words of Mr. John Bird, I say that he was perfectly right when he blamed the present government, whose fault is not to keep its record secret but to talk too much.

Therefore, the ministers had better agree before making statements; then they would not have to take the time of the house afterwards to correct newspaper reports.

(Text):

Motion (Mr. Fleming, Eglinton) agreed to and the house went into committee, Mr. Rea in the chair.

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF AGRICULTURE

Administration branch—

1. Departmental administration, including advisory committee on agricultural services, $911,098.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

47. Departmental administration, $1,001,840.

DEPARTMENT OF EXTERNAL AFFAIRS

76. Departmental administration, $6,924,915.

DEPARTMENT OF JUSTICE

165. Departmental administration, including annual contribution of $200 to the conference of commissioners on uniformity of legislation in Canada and $167,500 as grants to recognized private after-care agencies as may be approved by treasury board, $1,194,583.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE

255. Departmental administration, $1,821,267.

POST OFFICE DEPARTMENT

308. Departmental administration, including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, $2,174,216.

Proceedings reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I have an indication of what the business is to be tomorrow and Thursday?

Mr. Churchill: Tomorrow we shall continue the debate on the motion setting up the committee on broadcasting. This would be followed by consideration of the budget resolutions of which there are two, to be taken in this order—the one dealing with customs tariffs and the second dealing with income tax. If we finish the budget resolutions we will consider the estimates of the Department of Citizenship and Immigration on Friday.

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

HOUSE OF COMMONS

Wednesday, February 1, 1961

The house met at 2.30 p.m.

PRIVILEGE

MR. HOWARD—REFERENCE TO REMARKS IN DEBATE ON JANUARY 31

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder if I might rise on a question of privilege regarding some remarks of mine and another hon. member which appear in *Hansard* for yesterday on page 1607. During the debate, as recorded on that page, an unidentified hon. member said:

What about divorce?

Then in the heat of the moment I replied, and my remarks appear on page 1608, as follows:

My hon. friend may be desirous of obtaining one or he may need one, but that is his problem not mine.

I should like to express my regret, Mr. Speaker, and apologize to the hon. member, whoever he was, for having made that statement.

BUSINESS OF THE HOUSE

PERMISSION TO REVERT TO MOTIONS AT 5.45 P.M.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I have an announcement to make on government policy which, for business reasons, I do not want to make until 5.45 this afternoon. I request the permission of the house to revert to motions at that time, in order that I may make the announcement at 5.45 p.m.

Mr. Speaker: I think the house has heard the minister's request that he be given leave to revert to motions this afternoon at 5.45 p.m. so that he may make an announcement which can be conveniently made at that time and not now. Has the minister unanimous consent?

Some hon. Members: Agreed.

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Alan Macnaughton (Mount Royal) presented the first report of the standing committee on public accounts and moved that the report be concurred in.

Motion agreed to.

RAILWAYS, CANALS AND TELEGRAPH LINES—FIRST REPORT

Mr. W. M. Howe (Wellington-Huron) presented the first report of the standing committee on railways, canals and telegraph lines, and asked for unanimous consent to move that the report be concurred in.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I am not prepared to give unanimous consent to going ahead today.

Mr. Speaker: In the absence of unanimous consent, the motion cannot be accepted at this time.

EXTERNAL AFFAIRS—FIRST REPORT

Mr. H. O. White (Middlesex East) presented the first report of the standing committee on external affairs, and asked for unanimous consent to move that the report be concurred in.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I am not prepared to give unanimous consent.

BANKING AND COMMERCE—FIRST REPORT

Mr. M. D. Morton (Davenport) presented the first report of the standing committee on banking and commerce, and asked for unanimous consent to move that the report be concurred in.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I am not prepared to give unanimous consent.

MARINE AND FISHERIES—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. L. R. Crouse (Queens-Lunenburg) presented the first report of the standing committee on marine and fisheries, and moved that the report be concurred in.

Motion agreed to.

PRIVILEGES AND ELECTIONS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Georges Valade (St. Mary) presented the first report of the standing committee on privileges and elections, and moved that the report be concurred in.

Motion agreed to.

Industrial Relations Committee

MISCELLANEOUS PRIVATE RILLS—CONCURRENCE IN FIRST REPORE OF STANDING COMMITTEE

Mr. R. J. McCleave (Halifax) presented the first report of the standing committee on miscellaneous private bills, and moved that the report be concurred in.

Motion agreed to.

INDUSTRIAL RELATIONS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. R. H. Small (Danforth) presented the first report of the standing committee on industrial relations and asked for unanimous consent to move that the report be concurred in.

Hon. Paul Martin (Essex East): Mr. Speaker, I do not refuse to accede to the request of the hon. gentleman for unanimous consent, but I would point out the inadequacy of this report—

Some hon. Members: Order.

Mr. Speaker: Order. There is no subject matter before the house for debate at the moment. If unanimous consent is given the motion will be put and then may be dealt with; otherwise I must reject the motion. Does the house give unanimous consent that the hon. member for Danforth (Mr. Small) present this motion?

Some hon. Members: Agreed.

Mr. Martin (Essex East): Mr. Speaker, this report does not give a true indication of what transpired at the committee meeting. This was an organization meeting for the purpose of electing the chairman and arranging for the routine business of the committee. I may say, incidentally, that I was very happy to support the nomination of the hon. gentleman as chairman of this committee. On that one subject there was unanimity. I, of course, had a special opportunity to be able to attest to the great experience of the hon. gentleman as chairman of parliamentary committees.

However, it was proposed at the committee meeting this morning that since the committee had not been assigned any particular functions by this house, and since the committee should be put to work, we should ask the house for authority to examine into the state of the unemployment insurance fund, which is now in a perilous state.

This motion was not supported and was overwhelmingly defeated by all members supporting the government. The report of the hon. gentleman should have stated that there had been a request made by some members of the committee—

Some hon. Members: One.

Mr. Martin (Essex East): Hon. gentlemen say "why?" It is because in the judgment of those of us who belong to this party the state of the fund is such that parliament should examine into its condition at the earliest possible moment.

(Translation):

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, following the remarks made by the hon. member for Essex East (Mr. Martin), I should like to say a few words about what took place this morning during the meeting of the committee in question.

It was understood that this morning's sitting was only for organization purposes and it was agreed that the question raised by the hon. member for Essex East would not be considered on that occasion. It is simply a recurrence of what happened last year. The hon. member for Essex East wants to make the headlines and it is only a big flare-up he staged in the house.

(Text):

Mr. M. W. Martin (Timmins): I do not intend to get involved in the debate as to what happened in the committee meeting this morning, because I was not there.

Some hon. Members: Oh.

Mr. Martin (Timmins): That is my complaint. The hon. member for Peterborough and myself are members of that committee but we did not receive notice of this morning's meeting. That is the reason I was not there this morning. As far as the hon. member's speech is concerned, I think we could deal with that at a more appropriate time.

Mr. Speaker: Is the house ready for the question?

Mr. Pickersgill: No, Mr. Speaker—

Mr. Speaker: Before any other member enters into the discussion may I point out that although this motion is debatable, the subject before the house is only the report itself. Hon. members are not supposed to go behind or beyond the report; it is irregular to refer to what transpired in the committee. An hon. member may express opposition to the report, of course, and say it is not complete, but this is not the time to debate what went on in the committee.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I was rising merely to take exception to something said by the hon. member for St. Hyacinthe-Bagot which was inaccurate. The hon. member said there was a repetition of what took place last year. I just want to remind the house of what did happen last year. This has nothing to do with the proceedings of the committee reported in the motion now before us, but it has to do with the report. What happened last year was this. An attempt to investigate unemployment was defeated in the committee and the investigation took place in another place. I hope we are not going to have a repetition of that this year.

The house divided on the motion (Mr. Small) which was agreed to on the following division:

YEAS

Messrs:

Aiken
Aitken, Miss
Allard
Allmark
Anderson
Asselin
Balcer
Barrington
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Bigg
Bourbonnais
Brassard (Chicoutimi)
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campeau
Cardiff
Casselman, Mrs.
Cathers
Chambers
Charlton
Chown
Churchill
Coates
Comtois
Cooper
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dubois
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Flemming (Royal)
Forbes
Fortin
Frechette
Fulton
Gillet
Grafftey
Green
Grills
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hanbidge
Harkness
Hees
Henderson
Hicks
Hodgson
Horner (The Battlefords)
Howe
Johnson
Jones
Jorgenson
Keays
Kennedy
Knowles
Korchinski
Kucherepa
Lambert
LaRue
Latour
Legere
Lennard
Letourneau
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McIntosh
Martel
Martineau
Martini
Matthews
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Phillips
Pigeon
Pratt
Pugh
Rapp
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rompre
Rynard
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Starr
Stearns
Stefanson
Stewart
Stinson
Tassé
Taylor
Thomas
Thompson
Thrasher
Tremblay
Valade
Villeneuve
Vivian
Walker
Webb
Webster
Weichel
White
Winkler
Wratten—167.

NAYS

Messrs:

Argue
Badanai
Batten
Benidickson
Bourget
Cardin
Caron
Carter
Chevrier
Clermont
Crestohl
Denis
Deschatelets
Dumas
Dupuis
Eudes
Fisher
Forgie
Garland
Godin
Granger
Habel
Hellyer
Herridge
Howard
Leduc
Loiselle
McIlraith
McMillan
McWilliam
Martin (Essex East)
Martin (Timmins)
Meunier
Michaud
Mitchell
Nixon
Peters
Pickersgill
Pitman
Racine
Ratelle
Regier
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Rouleau
Tardif
Tucker
Winch—49.

DIVORCE

PROVISION FOR OFFICE OF PARLIAMENTARY PROCTOR, REGULATION OF COSTS, ETC.

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-64 to establish the office of parliamentary proctor and to regulate taxation of costs.

Some hon. Members: Explain.

Mr. Peters: The first purpose of this bill is to establish the office of a proctor to examine into parliamentary divorce proceedings. This is particularly essential because this house has passed a bill which eliminates all effective appeal procedures. If this bill were passed people would be able to appeal to the proctor, and I believe the other place is very interested in that.

Second, this bill would allow the Minister of Justice to refer appeals to the proctor rather than to his own department because, as he himself has said, constitutionally these appeals are probably not within his jurisdiction. Third, this bill would establish a joint committee of the two houses which would have the right to set up rates to be charged by the various people concerned with divorce petitions such as lawyers, parliamentary agents, detectives and others, with a view to lowering the cost of parliamentary divorce proceedings.

Motion agreed to and bill read the first time.

STARRED QUESTIONS

USE OF JAPANESE CEMENT, Y.T.

Question No. 62—**Mr. Mitchell (for Mr. Hardie):**

1. Is cement imported from Japan being used in works undertaken for the federal government in the Yukon Territory?
2. Is cement imported from Japan being used in works in the Yukon Territory undertaken under the federal winter works program?

Mr. Speaker: The hon. member for Sudbury?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, could this question stand?

Mr. Chevrier: We would like an answer to this question, Mr. Speaker.

Mr. Speaker: In the absence of the hon. member in whose name shall the question stand? It has been requested, but I would think—

Mr. Chevrier: The hon. member for Sudbury moved for the hon. member for Mackenzie River (Mr. Hardie).

Mr. Mitchell: The hon. member for Mackenzie River is not here, and I do not know when he will be returning.

Mr. Dinsdale: I asked that the question stand out of courtesy to the hon. member for Mackenzie River. I can give a reply if that is required.

The answer to question No. 1 is no.

The answer to question No. 2 is no.

[Mr. Peters.]

CAMPBELLTON-CROSS POINT BRIDGE, N.B.—TENDERS FOR FEDERAL SHARE

Question No. 64—**Mr. Robichaud:**

1. Have tenders been called for the federal share of the Campbellton-Cross Point bridge?
2. If so: (a) what was the name of each tenderer and the amount submitted? (b) to whom was the tender awarded?
3. Is it expected that the work will be completed for the amount tendered?
4. If not: (a) have any estimates been made of the extras to be paid to the contractor? (b) what amount has been paid to the contractor to date? (c) what amount remains to be paid when the work is completed?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, may I ask that this question be made an order for return. The answer is long and complicated and contains a great many figures.

Mr. Speaker: Order for return.

PERCENTAGE OF LABOUR FORCE UNEMPLOYED

Question No. 70—**Mr. Chevrier:**

In what years between 1945 and 1957 was the percentage of the Canadian labour force which was unemployed higher than in 1960?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): The answer to this question is as follows. The percentage of the Canadian labour force which was unemployed, based on annual averages, in the years 1946 to 1960, inclusive, follow:

1946	3.4
1947	2.2
1948	2.3
1949	2.8
1950	3.6
1951	2.4
1952	2.9
1953	3.0
1954	4.6
1955	4.4
1956	3.4
1957	4.6
1958	7.1
1959	6.0
1960	7.0

The annual averages for 1945 are not available.

UNEMPLOYED AS PERCENTAGE OF LABOUR FORCE, 1936-40

Question No. 75—**Mr. Knowles:**

What was the number of unemployed for each year, 1936 to 1940 inclusive, measured as an average percentage of the civilian labour force?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): The answer is as follows:

Canadian labour force surveys were commenced in November, 1945, and for earlier years the only labour force data available are estimates for the single month of June.

These estimates and the methods used in constructing them have been published in the dominion bureau of statistics reference paper No. 23 (revised), entitled "Canadian Labour Force Estimates 1931-1945". The civilian labour force for that period has been divided into persons with jobs and persons without jobs and seeking work. June estimates of persons without jobs and seeking work expressed as a percentage of June labour force estimates are shown following, for the years 1936 to 1940 inclusive.

The concept here covers only persons without jobs and seeking work, while the present definition includes persons on temporary lay-off of up to 30 days as well. It should be noted also that June is a month of high employment, so that the proportions of the civilian labour force without jobs and seeking work would undoubtedly be much higher in the winter months of these years.

Year	Persons without jobs and seeking work as a percentage of the Canadian civilian labour force
1936 — June	12.8
1937 — June	9.1
1938 — June	11.4
1939 — June	11.4
1940 — June	9.2

If the present definition of unemployment were used for this period the figures would be increased. It has been estimated that on a comparable basis the proportion of unemployed would then be as follows:

1936 — June	13.5
1937 — June	9.6
1938 — June	12.0
1939 — June	12.0
1940 — June	9.7

Mr. Martin (Essex East): The figures are all for the month of June. That is a very inaccurate statement.

FEDERAL PRINTING DONE OUTSIDE CANADA

Question No. 78—**Mr. Pickersgill:**

1. Is any printing done for the government outside Canada?

2. If so, what, in each case, is the nature of the printing and the reason for having it done outside the country?

Hon. Noel Dorion (Secretary of State): The answer to this question is as follows in so far as the Department of Public Printing and Stationery is concerned:

1. Yes.

2. (a) Reprints of articles in technical periodicals published outside Canada. Not available in Canada.

(b) Printing for local offices of the departments of external affairs, trade and commerce, citizenship and immigration, located outside Canada. For local use and distribution.

Starred Questions

MRS. JEANNE SAUVÉ

Question No. 80—**Mr. Pigeon:**

1. For how many years has Mrs. Jeanne Sauve, of Montreal, been employed by the Canadian Broadcasting Corporation (French network)?

2. What is her annual salary, including her casual fees?

3. Do the regulations of the Canadian Broadcasting Corporation permit a permanent employee of the said corporation to take part in official political meetings?

4. If not, in what capacity has Mrs. Jeanne Sauve participated recently in the national Liberal party convention, held a short time ago at Ottawa?

(Translation):

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): I am informed by the C.B.C. as follows:

1. Mrs. Jeanne Sauve is not on the staff of the corporation. She is a reporter and commentator whose services have been required now and then on the basis of one program at a time.

2. She is not paid on a yearly basis but rather for each engagement. It is believed that it would be contrary to the public interest and that of the corporation to reveal the amounts paid to individuals, since it might hinder the corporation when entering into negotiations for the services of commentators and others.

(Text):

Mr. Speaker: Order. I wish hon. members would contain their satisfaction or the reverse or whatever it is that is troubling them until the question has been answered.

(Translation):

Mr. Lambert: 3. No.

4. It is quite possible that Mrs. Sauve took part in the recent Liberal rally, but the corporation is not aware of the fact and does not know in what capacity Mrs. Sauve might have been there.

(Text):

ST. LAWRENCE SEAWAY—DREDGING CONTRACTS

Question No. 81—**Mr. Pigeon:**

1. Have all contracts dealing with the dredging of the St. Lawrence seaway, from the beginning up to 1957, been awarded to the lowest tenderer?

2. If not, in what year have contracts been awarded to persons other than the lowest tenderer, and how many such contracts were awarded?

3. What are the names of those contractors and for what amounts were such contracts so awarded?

4. In each case, what was the difference in price, as compared to the lowest tenderer?

Hon. Leon Balcer (Minister of Transport): The St. Lawrence seaway authority advise that the answer to part 1 is yes. In view of the answer to part 1, parts 2, 3 and 4 are not applicable.

C.B.C. SHORTWAVE BROADCASTING TO WESTERN EUROPE

Question No. 82—**Mr. Regier:**

1. Has the Canadian Broadcasting Corporation recently arrived at a decision to reduce or abolish

its short wave radio broadcasting in foreign languages to western Europe?

2. If so, what are the reasons for this decision?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, this question was raised the other day in the debate on the motion to set up a committee by the hon. member for Essex East (Mr. Martin), and I propose to deal with it in more detail, I hope, in a few minutes. However, in answer to the specific question I would say that the answer is yes, the international programs have been curtailed in western Europe in certain countries and so far as shortwave broadcasting is concerned, we are taking advantage of the modern facilities for rebroadcasting our own programs over the facilities which exist there. I am informed that we should be able to give better service than we have given heretofore.

The reason for this curtailment is the fact that we are expanding our facilities in Africa and also to cover the north country. As a result, it has been necessary to improve the service and possibly reduce the expenditure.

ROADS TO RESOURCES PROGRAM, MINAKI, ONT.

Question No. 83—**Mr. Benidickson:**

Under the roads to resources program has a request been received for federal government participation in the construction of a road to serve the base metal properties situate near Werner lake, northwest of Minaki, Ontario, either (a) from the province of Manitoba involving a road outlet in a westerly direction; or (b) from the province of Ontario involving a road outlet in Ontario in a southeasterly direction?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): The answer to the question is as follows:

The base metal properties near Werner lake lie in Ontario close to the Manitoba boundary. A road from the existing Manitoba road network to the Ontario boundary, leading toward Werner lake, is included in the roads to resources program for Manitoba. It is described in the agreement as the Oiseau lake road. It is my understanding that a low standard road constructed by the mining company now exists between the Werner lake mining area and the eastern terminus of the Oiseau lake road at the Ontario-Manitoba boundary.

The province of Ontario at one time during the planning of its roads to resources program proposed two roads in the Werner lake mining area, but later dropped these proposals.

COLUMBIA RIVER POWER DEVELOPMENT

Question No. 84—**Mr. Webster:**

1. (a) What is the net amount of electrical power capacity, in kilowatts, to be made available for Canadian use in the Columbia river power treaty? (b) how much of this capacity will be firm, that is, able to produce 8760 kilowatt hours? (c) what is the estimated annual load factor, compared with the planned installed capacity?

2. (a) What will be the initial costs to Canada for the dams and plants? (b) what annual costs? (c) what are the estimated costs in terms of firm and secondary capacity? (d) what will be the cost to Canada of these kilowatt hours at 100 per cent load factor?

3. What is Canada's (B.C.'s) ability to absorb this power?

4. How much timber, agricultural, recreational or other potential income producing land will be flooded both in the Upper Columbia and the Kootenay?

5. What are the anticipated revenues accruing to Canada from the United States?

6. What annual rental fee for these installations will be paid to the British Columbia government? (As is the case in the province of Quebec).

7. What is the accumulated cost to Canada to date, for the studies made around this prospective development?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): In view of the fact that the answer to this question would be rather lengthy, I wonder whether the hon. member would be agreeable to having it made an order for return?

Mr. Webster: Yes.

Mr. Speaker: Order for return.

TAX RENTAL ARRANGEMENTS—FEDERAL PAYMENTS

Question No. 85—**Mr. Pickersgill:**

1. What was the total amount of payments to the provincial governments plus deductions allowed from federal taxes under the tax rental arrangements in force in the fiscal year 1956-1957?

2. What was the total amount of payments to the provincial governments plus reductions allowed of federal taxes under the tax-sharing legislation in the fiscal year 1957-1958?

3. Was any part of the amount referred to in part 2 of this question provided by virtue of legislation enacted after June 21, 1957?

4. What was the amount of payments to the provincial governments plus reductions allowed of federal taxes attributable to the additional 3 per cent of personal income tax allowed in the fiscal years 1958-1959 and 1959-1960?

Hon. Donald M. Fleming (Minister of Finance): The answer is as follows:

1. The total amount of payments to the provincial governments plus estimated deductions allowed from federal taxes under the tax rental arrangements in force in the fiscal year 1956-57 was $523.3 million.

2. The total amount of payments to the provincial governments plus estimated reductions allowed of federal taxes under the tax-sharing legislation in the fiscal year 1957-58 was $628.9 million.

3. No.

4. The amount of payments to the provincial governments plus estimated reductions allowed of federal taxes attributable to the additional 3 per cent of personal income tax

allowed was $55.9 million in the fiscal year 1958-59, and $67.2 million in the fiscal year 1959-60.

FINANCING OF UNEMPLOYMENT INSURANCE PAYMENTS

Question No. 86—**Mr. Martin (Essex East):**

1. Are unemployment insurance payments being financed at the present time through the sale of securities?
2. If so, what is the amount of the losses incurred through such sales during the last six months?
3. If securities are not being sold to finance unemployment insurance payments, are such payments being financed through advances by the government?
4. If so, what is the total amount of these advances for the months of November, December, 1960 and January, 1961?

Hon. Donald M. Fleming (Minister of Finance): The answer is as follows:

1. In part.
2. $2,032,744.80.
3. No.
4. Answered by No. 3.

RESOURCES FOR TOMORROW CONFERENCE

Question No. 87—**Mr. Fisher:**

1. Has the federal government, in planning for the resources for tomorrow conference advanced the view or argument that (a) the conference give consideration to such problems as cost-benefit analyses which would determine the priorities that resource development projects should be given; and/or (b) the conference should consider the question of foreign ownership of capital in the resource industries, in relation to the over-all source of capital for resource development and the best means to channel Canadian funds into such development?
2. If so, what has been the result in terms of (a) background papers; (b) assignment of time at conference to these topics; (c) co-operation of the other participants?
3. Have any departments of the government other than northern affairs been approached to advise the conference arrangers on the matters of cost-benefit analysis or foreign ownership of capital?
4. If so, which departments and their branches?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): The answer is as follows:

1. (a) (b) In planning the resources for tomorrow conference, the conference secretariat is providing for consideration of such problems as cost-benefit analyses and capital requirements for resource development.

2. One background paper is being prepared on benefit-cost analysis and another paper will deal with capital requirements. The provinces have all agreed that discussion of these matters will take place at the conference.

The answer to question 3 is that other departments have been consulted in the matter of cost-benefit analysis and capital requirements.

Starred Questions

The answer to question 4 is that the departments of agriculture, finance, fisheries, forestry, mines and technical surveys, national health and welfare, and trade and commerce have been consulted.

C.B.C. INFORMATION PROGRAMS—PRESS GALLERY PARTICIPATION

Question No. 88—**Mr. Brassard (Lapointe):**

What are the names of the press gallery members who have taken part, from January 1, to December 31, 1960, in the Canadian Broadcasting Corporation information programs on the radio and television French network, such as Conférence de Presse, Tribune libre, Nouvelles, Commentaires, and Le Tour des Capitales?

(Translation):

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, in reply to the question asked by the hon. member for Lapointe (Mr. Brassard), I am informed by the C.B.C. that the following members of the press gallery have taken part in programs on the French radio and television network during 1960: Miss Francoise Cote, Messrs. Clement Brown, Jean Grand-Landau, Langevin Cote, Marcel Gingras, Jean-Marc Poliquin, Amedee Gaudreault, Lorenzo Pare, Tim Creery, Philip Dean, Francois Morisset, Claude Paulette, Norman DePoe, Jean Charpentier and Gerard Morin.

(Text):

ESKASONI INDIAN RESERVE—HIGH SCHOOL FACILITIES

Question No. 89—**Mr. Muir (Cape Breton North and Victoria):**

1. What arrangements are provided for high school students at the Eskasoni Indian reserve?
2. Are these facilities adequate?
3. Have any complaints been registered by the chief or band council of this reserve in regard to the school facilities provided for high school students?
4. Have any complaints been registered by anyone in this regard?
5. What financial arrangements are in effect for the tuition of these students?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to question 1 is, the department provides transportation for students who live on the reserve to attend the provincially operated East Bay high school at McCormack. Students who cannot be accommodated at East Bay high school are given financial assistance to enable them to board close to other schools which they can attend.

The answer to question 2 is yes.

The answer to questions 3 and 4 is, no complaints from any source about the high school facilities for Indian pupils at Eskasoni have been received in the department.

The answer to question 5 is that this department assumes full responsibility for tuition, text books and supplies for all students

of the Eskasoni reserve who are attending high school. Where students have to be boarded away from home, assistance is provided in accordance with the need, with parents contributing to the extent of their financial ability.

KITWANGA INDIAN BAND—POSSESSION OF RESERVE

Question No. 91—**Mr. Howard:**

1. Has the Kitwanga Indian band communicated any allegations to the government or to any agency or branch thereof to the effect that persons other than Indians are or have been (a) unlawfully in occupation or possession of; (b) claiming adversely the right to occupation or possession of; or (c) trespassing upon a reserve since January 1, 1958?

2. If so, has any information been exhibited in the Exchequer Court of Canada on behalf of the said band, what is the nature of the information, and the results thereof?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to the first part of the first question is yes. In a letter to the superintendent of the Babine Indian agency dated June 4, 1959, the council of the Kitwanga band expressed concern about alleged trespass by the British Columbia department of highways on their reserves. A copy of this letter was included in correspondence provided in response to notice of motion No. 15 by the hon. member for Skeena (Mr. Howard) of November 24, 1960.

The answer to the second question is no.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADA SHIPPING ACT—REPRESENTATIONS RESPECTING SEWAGE DISPOSAL

Question No. 62—**Mr. Martin (Essex East):**

1. Has the government received representations from any body requesting an amendment to the Canada Shipping Act to require all ships using great lakes or connecting rivers to be equipped with containers for sewage, oil, and other refuse, and to require ships to deposit such refuse in municipal disposal sewer systems?

2. If so, from whom have such representations been received, and what reply was made?

CAMPBELLTON-CROSS POINT BRIDGE, N.B.—TENDERS FOR FEDERAL SHARE

Question No. 64—**Mr. Robichaud:**

1. Have tenders been called for the federal share of the Campbellton-Cross Point bridge?

2. If so: (a) what was the name of each tenderer and the amount submitted? (b) to whom was the tender awarded?

3. Is it expected that the work will be completed for the amount tendered?

4. If not: (a) have any estimates been made of the extras to be paid to the contractor? (b) what amount has been paid to the contractor to date? (c) what amount remains to be paid when the work is completed?

[Mrs. Fairclough.]

FEDERAL PROPERTY, NORTHERN ONTARIO

Question No. 65—**Mr. Fisher:**

1. Has the government of Canada or its agencies held or now hold ownership of real property within the cities of Port Arthur, Fort William and the municipalities of Neebing and Paipoonge?

2. If so, has any of this property been sold or transferred to other ownership in 1959 or 1960?

3. If so, to whom, to what purpose, at what cost or consideration?

COLUMBIA RIVER POWER DEVELOPMENT

Question No. 84—**Mr. Webster:**

1. (a) What is the net amount of electrical power capacity, in kilowatts, to be made available for Canadian use in the Columbia river power treaty? (b) how much of this capacity will be firm, that is, able to produce 8760 kilowatt hours? (c) what is the estimated annual load factor, compared with the planned installed capacity?

2. (a) What will be the initial costs to Canada for the dams and plants? (b) what annual costs? (c) what are the estimated costs in terms of firm and secondary capacity? (d) what will be the cost to Canada of these kilowatt hours at 100 per cent load factor?

3. What is Canada's (B.C.'s) ability to absorb this power?

4. How much timber, agricultural, recreational or other potential income producing land will be flooded both in the Upper Columbia and the Kootenay?

5. What are the anticipated revenues accruing to Canada from the United States?

6. What annual rental fee for these installations will be paid to the British Columbia government? (As is the case in the province of Quebec).

7. What is the accumulated cost to Canada to date, for the studies made around this prospective development?

MOTIONS FOR PAPERS

FEDERAL PREVAILING RATE EMPLOYEES—CHECK OFF

Motion No. 37—**Mr. Martin (Essex East):**

For a copy of all correspondence, telegrams, and other documents exchanged between the Minister of Finance and the national council of the public service of Canada, on the subject of the check off of union dues for federal prevailing rate employees, since January 1, 1960.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I do not know whether the hon. member is aware that in his absence on Monday, January 30 this motion was moved by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) on behalf of the hon. member for Essex East. In commenting upon it I said, as reported at page 1522 of *Hansard*:

Mr. Speaker, there are no correspondence, telegrams or documents within the terms of this motion, and even if there were there would no doubt be a question raised as to privilege. In view of the fact that there are none, no doubt the hon. member would be prepared to withdraw the motion on behalf of the hon. member for Essex East.

In his absence the motion was allowed to stand, but I suggest that as there are no documents within the terms of the motion the hon. member may wish to withdraw it.

Mr. Martin (Essex East): Mr. Speaker, as there would be no purpose served by having the motion stand, obviously I will withdraw it.

Order discharged and motion withdrawn.

UNEMPLOYMENT INSURANCE DIRECTIVES, CIRCULARS, ETC.

Motion No. 38—**Mr. Roberge:**

For a copy of all circulars, letters of instruction or directions issued by the unemployment insurance commission for the local offices since July 11, 1955 with respect to
(a) the insurance coverage, and
(b) the interpretation of the words "contract of service or apprenticeship" contained in section 25 of the Unemployment Insurance Act.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the hon. member for Megantic (Mr. Roberge) has been approached to delete the words "letters of instruction or directions". This was explained to him. I understand he is agreeable to these words being deleted from the motion. If so, there is no objection to the motion.

Mr. Speaker: The mover and seconder are agreeable that the words "letters of instruction or directions" be deleted. Is it agreed that the motion be amended as proposed?

Some hon. Members: Agreed.

Motion as amended agreed to.

UNEMPLOYMENT INSURANCE ADJUDICATIONS

Motion No. 39—**Mr. Racine:**

For a copy of all adjudications or decisions made by the unemployment insurance umpire since July 11, 1955, with respect to (a) the insurance coverage, and (b) the interpretation of the words "contract of service or apprenticeship" contained in section 25 of the Unemployment Insurance Act.

Motion agreed to.

BRITISH COLUMBIA SUGAR—COMBINES INFRACTIONS

Motion No. 41—**Mr. Howard:**

For a copy of all correspondence, telegrams and other documents, except those containing opinions from counsel, on legal questions which were submitted to them by the Department of Justice, exchanged between the federal government, or any agency or department thereof and any other person, company or organization, since January 1, 1957, relating to the prosecution of the British Columbia Sugar Refining Company Limited *et al*, for alleged infractions of the Combines Investigation Act.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, this motion is, I think, identical to a motion relating to the prosecution of Canadian Breweries Limited which was moved by the hon. gentleman on an earlier occasion after having been reworded as a result of discussion. I am accordingly prepared to accept this motion on the same basis as the earlier motion.

Mr. Speaker: Subject to the explanation of the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

NATIONAL DEFENCE

PRINCE ALBERT, SASK.—DESTRUCTION BY FIRE OF RESEARCH LABORATORY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I would like to direct a question to the Minister of National Defence and ask if he would make a report to the house on the circumstances surrounding the fire which destroyed the main building of the defence radar research laboratory in Prince Albert, and especially on the adequacy of fire protection equipment available to cope with this fire.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I have a report here on the fire so far as it has been possible to secure one up to date. It is as follows.

The main building of the defence research board's Prince Albert radar laboratory was heavily damaged by fire in the early evening of January 31. The Prince Albert fire department was unable to extinguish the blaze, but was able to limit the damage to the transmitter area in the main building. The tower and antenna were not damaged. The major portion of the test equipment, receiving equipment and office furnishings were saved and removed to storage. A temporary office has been set up in the armoury at Prince Albert. No one was injured.

The Prince Albert radar laboratory is operated by the defence research telecommunications establishment, Ottawa. A senior officer of this organization and three other members of the staff are flying to Prince Albert this afternoon in order to carry on an official inquiry into the circumstances of the fire, which will be started immediately. The extent of the loss, of course, cannot be estimated at the present time, nor the length of time that the laboratory will be out of action.

Mr. Chevrier: Mr. Speaker, may I ask a supplementary question of the minister and ask him to inquire into the fact that, in accordance with the report that I have before me, there was no water in the vicinity of the radar station at the time.

Mr. Harkness: Naturally, all details and all information in connection with this fire will be brought out at the court of inquiry which is being instituted immediately.

INDUSTRY

AUTOMOBILES—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, may I direct a question to the Prime Minister. In view of the great public interest in the royal commission inquiring into the automobile industry, can the Prime Minister say whether receipt of the report of the royal commission will be much longer delayed?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not had any communication with the royal commissioner during the last week or so. However, I will get in touch with him and let the house know.

EXTERNAL AFFAIRS

POLAND—FURTHER STATEMENT ON RELEASE OF CANADIAN CITIZEN

On the orders of the day:

Mr. W. J. Murphy (Lambton West): May I direct a question to the Prime Minister. It is partly based on a statement in this morning's Montreal *Gazette* by a Mrs. Koyer about whose husband the Secretary of State for External Affairs made a statement yesterday in reply to a question.

I would like to ask the Prime Minister whether he has any comments to make on the statement attributed to this lady. Furthermore, because there is some confusion among the public as the result of a difference in the spelling of this man's name, would the Prime Minister tell the house whether this is the same person about whom he was concerned last fall, and whether anything was done about the case at that time by the right hon. gentleman? Further, is he the person the Canadian-Polish alliance of Canada was concerned about, and has the right hon. gentleman been in touch with that organization concerning this case?

Right Hon. J. G. Diefenbaker (Prime Minister): In so far as the statement reported in the press is concerned, that Mrs. Koyer was surprised when advised by the press that her husband was to be released, I think I should say that I presume her statement was made as an exercise of feminine caution. She had known of his release, I think it was on Friday or Saturday, but naturally nothing was said about the release in case, in the meantime, the situation might alter, or circumstances change the date of her husband's departure. Mrs. Koyer was fully aware of the fact that he had been released. Indeed, her representative in Ottawa saw me in this connection, I think it was on Tuesday morning, and notified me that she had been made aware that her husband was going to return to Canada.

In so far as the latter portion of the question is concerned, hon. members will recall that the hon. member for Lambton West brought this case to the attention of the house. Following his intervention in this connection the Canadian-Polish congress communicated with me and asked whether the government would do what it could to ensure that justice was done in this case. As the Secretary of State for External Affairs has said, the Polish government received the representations which were made by this government, and in the course of events a decision was made which brought about the release of Mr. Koyer. The Canadian-Polish congress did a great deal in this connection, and I think the house will be most happy at the fact that the Polish government, after the representations had been made, acted as it did, indicating an attitude in the comity of nations which all of us hope to achieve.

LAOS—REASSEMBLING OF SUPERVISORY COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to direct a question to the Secretary of State for External Affairs. Will the minister comment on the radio report of this afternoon that efforts to reactivate the international supervisory commission in Laos have not succeeded, and would he care to comment also on the statement in the news report that India attributes this failure to the course taken by Canada?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I did not hear the radio report in question, but it is quite inaccurate on both counts. The fact is that at the moment the Soviet union, which was one of the two co-chairmen of the 1954 Geneva conference, the other being the United Kingdom, is considering a draft letter to the government of India asking that government to name the chairman of the Laos commission and have him go to Laos in an endeavour to get the consent of the king of Laos to the return of the commission to that unhappy kingdom. If that consent is given by the king of Laos, then the commission will be reconvened at once. Canada is ready to name the Canadian commissioner.

Incidentally, Canada played quite a significant part in bringing about agreement on this draft letter. The reason for delay at the moment is that the Soviet government has not yet replied to the suggested letter put forward by the government of the United Kingdom, although the letter has been in the hands of the Soviet government for the matter of a week or ten days.

POST OFFICE DEPARTMENT

MANUFACTURE OF MAIL BOXES AND KEYS IN PENITENTIARY

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Minister of Justice based on a report in today's Ottawa *Citizen* to the effect that master keys to open any government mail boxes are in the hands of thieves. According to this report, police have been told the master keys were made in the Kingston penitentiary machine shop where mail boxes are repaired. My question is, has the minister any report to make to the house in connection with this matter?

Hon. E. D. Fulton (Minister of Justice): I do not want to raise this formally as a point of order, but I must point out that at the moment none of us is in a position to vouch for the facts stated in the press report on the basis of which the hon. member asks his question. As I say, I do not raise that as a formal point of order, but I think both the question and my answer should be read in the light of the situation that the facts are not yet ascertained.

I can, however, say this at the moment. Last April and May, as a result of routine checks in both Kingston and New Westminster penitentiaries, it came to the attention of the officials of those institutions that there might be some irregularities in connection with the work shop and the printing shop, and certain materials were confiscated. In one case, publication of the prison paper was suspended for a period. This was as a result of routine investigations and checks by our own officials.

With regard to the full extent of the ring, if any, and the extent to which these materials may have been manufactured in penitentiary workshops, I have ordered a further full investigation and as soon as the facts are ascertained I shall advise the house.

Mr. Azellus Denis (St. Denis): May I direct a further question to the Postmaster General on the very same subject? On January 26 the Postmaster General was supposed to look into this matter and report in a couple of days, so he said. I do not think—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member has so far been making a statement. If he has a question to ask, would he please ask it?

Mr. Denis: I would ask the Postmaster General whether he is in a position to comment on the progress of the investigation he was supposed to have made on this subject, including what has happened in the city of Ottawa.

Hon. W. M. Hamilton (Postmaster General): Not at this time. The Minister of Justice and I have had certain discussions on the subject, and as soon as I have anything to report I shall be very glad to make a statement.

Mr. Denis: May I ask a supplementary question?

Mr. Speaker: The hon. member may rise to ask a new question but not a supplementary question, because the minister has in effect taken the question as notice. I will give the hon. member the floor if he wishes to ask a new question.

Mr. Denis: Will the Postmaster General reconsider the advisability of replacing these locks and keys, as I asked him to do on January 26, and this time by hiring honest people?

POSTAL SERVICE

REPORTED DELAY IN DELIVERY OF OLD AGE PENSION CHEQUES OVERSEAS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Postmaster General. In view of the fact that it takes up to 26 days for old age pension cheques mailed in Victoria, B.C. to reach recipients resident in Britain, would the minister have inquiries made as to the reasons for the length of time taken with a view to improving this tramp-steamer time required for delivery?

Hon. W. M. Hamilton (Postmaster General): This is hardly a question of immediate urgency, but I appreciate the hon. member having given me advance notice. Until now the Department of National Health and Welfare has sent these cheques by sea mail and surface mail, and since they may have to wait up to eight days for a ship to depart, and since the ship may then take up to 12 days to cross the ocean, it is obvious that this is not the fastest way in which these cheques could be sent. The Minister of National Health and Welfare, having been informed of this situation, has now decided that these cheques should be sent by air mail, and I congratulate him for his interest in the welfare of old age pensioners.

Mr. Herridge: Does not the minister consider, when old age pensioners have to wait 26 days for cheques to arrive, and then write to hon. members in Ottawa saying it is an urgent matter, that it is an urgent matter—

Mr. Speaker: Order. The hon. member is seeking to debate what amounts to a point of order, and I suggest he should not pursue it.

TRADE

ELECTRONIC TUBES—REPORTED IMPORTS FROM JAPAN THROUGH U.S.

On the orders of the day:

Mr. John Smith (Lincoln): Mr. Speaker, I should like to direct a question to the Minister of National Revenue as a follow up to a question I asked the minister a few weeks ago concerning the importation of Japanese-made receiving tubes. Is the minister aware that substantial quantities of Japanese receiving tubes are coming into Canada by being transshipped from San Francisco, thereby circumventing the voluntary embargo?

I have not given the minister notice of this question, but I do not expect an answer today. I have a considerable amount of evidence which I would be pleased to make available to the minister.

Hon. George C. Nowlan (Minister of National Revenue): I accept that question as notice, Mr. Speaker, and will reply at the first opportunity.

TRANS-CANADA AIR LINES

STATEMENT ON AIR CREW COMPLEMENT FOR NEW PLANES

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, last Thursday the hon. member for Laurier inquired regarding the air crew complement on T.C.A.'s newer aircraft types. The number of air crew required on duty in the cockpit of a plane is subject to approval of the Department of Transport. It is determined in relation to such factors as aircraft handling characteristics, cockpit visibility, instrumentation and controls, general cockpit layout, and a number of other factors.

In the case of the DC-8, the department required that the cockpit complement be three persons. Two of these, of course, would be pilots, but it was left to T.C.A. to determine whether the third person should be a pilot or flight engineer. In fact I understand that T.C.A. is carrying a third pilot.

With regard to the newly acquired Vanguard aircraft, a thorough examination of the requirements for flight crew has been completed. My technical officers have taken into consideration the representations made by the Canadian air line pilots' association, the views of the most experienced supervisory pilots of T.C.A. and reports from air carrier inspectors of the civil aviation branch of my department who have made in-flight investigations including all normal and emergency manoeuvres in the air.

As a result it has been concluded that this particular model of Vanguard aircraft, which has a cockpit especially designed to T.C.A. requirements, does not require three pilots, and that operational safety can be maintained with two on all routes on which T.C.A. intends operating the aircraft initially at least. Our examination of the problem, however, indicated that the qualifications for first officer or co-pilot established some years ago and requiring that a first officer hold a commercial pilot licence only did not visualize the introduction of aircraft of the size and performance of the Vanguard, and it has therefore been decided to require that first officers in Vanguard aircraft be technically trained to the standard of a fully qualified captain and that such first officers shall be required to hold a valid air line transport pilot licence. This increased requirement is designed to ensure that in the event of incapacitation of the captain, the aircraft will be in the charge of a person who is technically competent to act as captain in an emergency and will be in possession of the higher minimum experience requirements necessary to hold an air line transport pilot licence.

STATEMENT CONCERNING EMPLOYMENT OF PILOTS LAID OFF

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on Thursday last the hon. member for Laurier also inquired regarding the pilots who had been given notice of lay-off by T.C.A., numbering approximately 100. At that time I assured the hon. member that every effort was being made to help this group.

I have since learned that approximately 14 of them have been employed by the Irish air line, Aer Lingus. I have also been informed that British European Airways has a very substantial requirement for new air crew this year which, indeed, may number over 100 before the year is out, and that they are at present interviewing those of the T.C.A. pilots who have been given notice and would be interested in employment by B.E.A. and whose services could be made available in time to meet B.E.A. requirements.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I thank the minister for the comprehensive statement he has made on this subject matter. May I now ask a supplementary question. Could the minister give some idea as to how many of the 104 pilots are likely to find employment arising out of the first part of the statement the minister made?

Mr. Balcer: No, Mr. Speaker. I am sorry I cannot give an exact answer, but I shall inquire and report later.

COAL

INQUIRY AS TO PROMOTION OF USE BY ONTARIO HYDRO

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wish to direct a question to the Minister of Mines and Technical Surveys arising from a report in today's Toronto *Star* which purports to be Ontario hydro's reply to the request of the hon. member for Cape Breton South that Ontario hydro use 1 million tons of Nova Scotia coal a year and save the coal industry of Nova Scotia. Since Ontario hydro's reply appears to state that it has received no indication of the delivery cost of Nova Scotia coal and that it cannot ask its customers to subsidize the maritime coal industry, I should like to ask the minister whether his department and the dominion coal board have played any part at all in trying to assist the hon. member for Cape Breton South in his arrangements with Ontario hydro.

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, I have not read that article but I shall take notice of it and inquire and reply on a later occasion.

DOMINION-PROVINCIAL RELATIONS

EQUALIZATION FORMULA—CALCULATION OF GROWTH FACTOR

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Prime Minister a question about the letter he addressed on January 30 to the provincial premiers. Could the Prime Minister explain to the house the basis of calculation of the growth factor in the equalization formula?

Mr. Speaker: Order. It seems to me that the question is one that arises out of a debate which the house has been having and has just concluded. It is a debating question rather than a question of information. If the hon. member disagrees with me I shall be glad to hear him, but that is the way it strikes me.

Mr. Pickersgill: On that point, Mr. Speaker, I am not seeking to debate the matter at all. I am merely seeking information as to the formula. The debate, after all, was on an entirely different proposition, a proposition made last July.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, on the point of order I would suggest that since this letter was read into the record, surely a letter from the Prime Minister to the provincial premiers stands on its own feet. The letter is an important document. If there is some suggestion in it that a growth factor will be involved, it is in order to ask about this since the letter has no particular relationship to the debate aside from the fact that the minister quoted it.

Hon. Paul Martin (Essex East): Mr. Speaker, may I attempt to assist Your Honour. Yesterday afternoon I asked the Prime Minister if he would give an answer as to the meaning of the phrase "growth factor" and provide us with some information which would indicate what was the basis the minister had in mind in the use of that phrase. Unfortunately the Prime Minister was not in his seat. I know he was occupied with important matters elsewhere. As he did not follow and close the debate, the right hon. gentleman did not take the opportunity of answering the questions that were put to him. An answer was given by his parliamentary secretary to the effect that a growth factor—

Some hon. Members: Order.

Mr. Martin (Essex East): I submit, Your Honour, that the question should be answered.

Mr. Speaker: Would the hon. member for Bonavista-Twillingate repeat his question in the light of the discussion?

Mr. Pickersgill: My question was, would the Prime Minister explain the basis of the calculation of the growth factor in the equalization formula?

Mr. Speaker: The question is properly one for the order paper. It asks for statistical information which members could not expect to be written on the minister's cuff. Furthermore, it is not one of those questions that has to be answered immediately because of its urgency.

Mr. Pickersgill: I shall be most happy to put the question on the order paper.

TRANSPORT

SABLE ISLAND PONIES—ADOPTION BY PRINCE EDWARD ISLANDERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, at the urgent request of some of

the interested parties I wish to direct a question to the Minister of Transport. Is the minister giving consideration to the pleas of over 500 Prince Edward Islanders, including many Progressive Conservatives, who are interested in adopting some of the blue-blooded Sable island ponies?

Mr. Argue: The Minister of Transport has disappeared.

Mr. Speaker: In the absence of the minister, perhaps the hon. member would defer his question to another time.

Mr. C. W. Hodgson (Parliamentary Secretary to the Minister of Transport): There is no urgency in the hon. member's question, and we will take it as notice.

[*Later:*]

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I am prompted by the intervention of the hon. member for Victoria (Ont.) to ask the Prime Minister if there is any truth in the rumour, which I think all of us will have regretted, that the hon. member has submitted his resignation as parliamentary secretary to the Minister of Transport.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, it has always been so that after a person ceases to occupy a position feelings of deep regret are expressed. I thank the hon. gentleman for these words. I understand that the hon. member is about to tender or has tendered his resignation but that it has not yet been accepted.

INDIAN AFFAIRS

NAMING OF HOUSE OF COMMONS MEMBERS OF JOINT COMMITTEE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Veterans Affairs in his capacity as house leader. When can the house expect the names of the House of Commons members of the joint Senate and House of Commons committee on Indian affairs to be presented to the house so they may be communicated to the other place?

Mr. Speaker: I understand that the house names the members of this committee in due course when the motion is called. Is the hon. member inquiring about the appointment of the members of the committee? If so, I suppose it is an inquiry about business that will be coming before the house. Perhaps the house leader might reply.

Hon. Gordon Churchill (Minister of Veterans Affairs): When the report is ready it will be presented to the house.

[Mr. Herridge.]

THE CENSUS

FORM OF QUESTION RESPECTING RACIAL ORIGIN

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Prime Minister. Have the two questions having to do with citizenship and origin been reframed and submitted to the cabinet, as indicated by the Minister of Trade and Commerce some days ago?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this whole question is being considered by the appropriate authorities, and when we are in a position to give a reply we will do so, not in piecemeal way but covering the entire situation.

Mr. Chevrier: May I ask a supplementary question which perhaps should be directed to the Minister of Trade and Commerce, who is not here. Will the questions be shown and submitted to the members by way of a letter from the director of the dominion bureau of statistics, in the same manner as they were on two previous occasions by the Minister of Trade and Commerce?

Mr. Diefenbaker: Mr. Speaker, that too will be answered in due course.

IMMIGRATION

BRITISH COLUMBIA—EMPLOYMENT OF U.S. CITIZENS IN PIPE LINE CONSTRUCTION

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, on January 30 last the hon. member for Kootenay West directed a question to the Minister of Labour with respect to whether the minister had received any complaints concerning the numbers of United States citizens admitted to Canada for employment in the construction of pipe lines in British Columbia.

This is the time of year when such complaints begin to come in and we have received a number, particularly from the leader of the C.C.F. group in the house and house leader of the New party, the hon. member for Assiniboia. I can assure him that we are examining each and every complaint that is brought to our attention, and that officials of the national employment service have orders to make strict application of regulations regarding the admission of workers. No one is being approved by the national employment service to do any job for which a qualified Canadian is available.

We are receiving excellent co-operation in this regard from the department of my collegue the Minister of Citizenship and Immigration. If the hon. member for Kootenay

West has any particular cases in mind in particular areas I would ask that he specify such cases, and I assure him that I will get a report in each case.

BROADCASTING

APPOINTMENT OF COMMITTEE ON RADIO AND TELEVISION

The house resumed, from Friday, January 27, consideration of the motion of Hon. George C. Nowlan (Minister of National Revenue):

That a special committee be appointed on broadcasting to consider radio and television broadcasting with power to examine and inquire into the matters herein referred to and to report from time to time their observations and opinions thereon and to send for persons, papers and records;

That the committee have power to print such papers and evidence from day to day as may be deemed advisable or necessary;

That the committee shall consist of 35 members;

That standing orders 66 and 67 be suspended in relation thereto.

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, last Friday afternoon I started to reply to some of the matters which had been raised during this debate, and I had referred particularly to arguments advanced by the hon. member for Bonavista-Twillingate, who was the first speaker following the calling of the motion. I dealt with the point he raised as to the scope of the resolution and also the second matter with which he dealt and to which I replied at that time.

The hon. member also raised a question which he has brought up in every debate since I have been in this place, the argument that there should be a fixed parliamentary grant for the C.B.C. over a period of years rather than one vote by parliament each year. I have dealt with this matter on other occasions and I do not propose to spend much of the time of the committee this afternoon in repeating matters which I have stressed before. However, there are one or two obvious questions that arise in considering this matter. Over how long a period would such a fixed vote be scheduled? Would it be for one year, which is what we have now, or two, three or five years?

In theory an argument can be advanced for this procedure. If this nation had attained its full growth, if our territories were fully served by the C.B.C. or by private networks, if electronic devices had reached the climax of their development so there would not be revolutionary changes from year to year, if decisions had been made with respect to the institution of colour rather than black and white television; if all these matters were settled I think it would be fairly easy to prognosticate the amount of money which should be allocated to the C.B.C. over a period of three, four or five years and vote it accordingly. But under the circumstances as they exist today, with the necessity of expanding our facilities in various areas in Canada, with the great electronic developments which are taking place and which render obsolescent equipment which the year before was thought to be adequate; with all the other questions with which the corporation has to deal, I suggest that this is not the time for us to fix an amount or even apply a formula of some kind applicable over a period of years.

How would one work out a formula? I have figures before me covering the years during which I have had some responsibility for the C.B.C. In the year 1957-58, the first year in which I had any responsibility, the corporation drew from the public treasury $41,600,000. The next year the amount was $51,900,000, an increase of $10,300,000. The next year there was an increase of only a little over $1 million, and the corporation drew down from the public treasury $52,300,000. The next year the amount was $60 million even, an increase of about $8 million. This year it is estimated the amount will be $70,418,000, an increase of about $10,400,000.

If one looks at commercial revenues, to which reference was made, one finds that in the year 1957-58 they amounted to $15,500,000; 1958-59, $21,700,000; 1959-60, $27,200,000. The next year there was an increase of only a few hundred thousand dollars and this year there will be a drop of about $300,000. Now, Mr. Speaker, one would need to have the wisdom of Solomon and the gift of prophecy of the late Joseph Howe, as well as a few other attributes that have not been given to mortal men, even in the Conservative government of this country, to make a reasonable prognostication or arrive at a formula upon which you could operate without putting the C.B.C. in a strait-jacket on the one hand or, from time to time, providing it with too much money. I say "too much money", but too much money is always a figure of speech so far as that corporation is concerned because there are many demands upon it, legitimate demands.

We remember when the taxation schedule was in effect and when the C.B.C. was in receipt of the excise tax on the sale of television sets. The sales of these sets were going up by leaps and bounds and there was a tremendous accretion to the treasury of the C.B.C., far more than its demands. When the demand for television sets levelled off the revenue of the C.B.C. fell off accordingly. I suggest, Mr. Speaker, therefore, that the

proper procedure is the one which we are following at this time. I am not questioning for one moment the fact that the time may come when a change such as the one suggested by the Fowler commission should be made. It is easy to make these suggestions, but it is much more difficult to bring them into operation. I say at this time the policy of this government is to maintain the present system of parliamentary grants. This government is prepared to trust parliament. We believe in the supremacy of parliament, and that is the policy which is going to be followed in the immediate future.

What reason is there for suggesting a change? The only reason we have ever heard, Mr. Speaker, is the possibility of the corporation being under pressure from the government. The other day a suggestion was made that the corporation might be under pressure from the treasury board or it might be under executive pressure. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) quite properly said that it was just as necessary to avoid executive pressure on the C.B.C. as it was necessary and advisable to make sure that the judiciary of this country is not under executive pressure. I could not agree more with that position.

During the time that I have been reporting for the C.B.C. I have never heard any suggestion of the corporation being under executive pressure in any way, shape or form. I have seen no letters from my friends of the C.C.F. party pointing out any incident or complaining about it or referring to it. I have seen no letters from the official opposition with respect to such a matter. I have received no letters from anyone in Canada, pointing to any incident or any alleged incident which could possibly give suspicion to the fact that the corporation was under executive pressure. As a matter of fact, if one judges from the correspondence one gets, if there is any pressure it is not the pressure of the executive on the Canadian Broadcasting Corporation but it might be the pressure of the Canadian Broadcasting Corporation on the executive. I think if there is any pressure anywhere, judging from the mail which I receive—I realize, of course, that we who are in the spotlight of politics are undoubtedly sensitive to political criticism and we have an allergy to this criticism which is not given to citizens further removed, and perhaps very fortunately further removed—

Mr. Fisher: May I ask the minister one question? Is he distinguishing between executive pressure in so far as finances are concerned or all executive pressure?

[Mr. Nowlan.]

Mr. Nowlan: I am thinking of all kinds of executive pressure. As I was saying, judging from the mail which one receives, and that is perhaps one yardstick, there certainly has been an increasing abundance of it suggesting that there has been pressures on the executive by the corporation; that is not for me to comment upon. I have seen no evidence of it. As I have said, there is no evidence whatever. There has never been a thought of executive pressure on the C.B.C., and I am sure there never will be as long as this government is in power, or any other government, I would hope.

We are following this policy at the moment, and there will be no change in it in the immediate future. Certainly one would almost think, dealing at least with one phase, C.B.C.—Radio Canada, if there is any major pressure it is the political pressure that Radio Canada has exercised in certain ways in the area which it serves. There are abundant complaints with respect to that. It is not for me to measure them, but I do know that there has been a tremendously increasing volume during the four years in which I have had some responsibility for reporting to parliament for the C.B.C.

The hon. member also brought up the question of the commercial policy of the C.B.C. He regretted the increase in advertising. I must say that I can get very irritated at excessive advertising as well. I recall one program to which I wanted to listen and there was sufficient advertising, although well within the scope of the regulations laid down by the board of broadcast governors, to rather irritate me. I said to myself, I will never buy that product again under any circumstances. This was perhaps a human reaction to advertising in that form. Anyone using the C.B.C. naturally has to guard against any excessive commercialism because I am sure it will redound against the corporation using it. We try to safeguard that by regulation by the board of broadcast governors, and we judge by the experience of the C.B.C. itself which has looked after that matter for many years.

If one is worried about excessive commercialism he should read, as I do from time to time, letters from United States citizens who live just south of the Canadian border or from Canadians who have moved, for business reasons, to the United States and away from the C.B.C. If one reads these letters one finds these people never appreciated the Canadian Broadcasting Corporation until they got away from it. They never knew what commercialism meant; they never knew about the way in which the airways could be saturated by blatant commercialism until they were subjected to some programs far removed from

the C.B.C. I know that for one letter in this vein that I receive the corporation gets thousands which commend the corporation for their restraint. As the figures I read a while ago indicate, there has been a substantial volume of commercial programs on the C.B.C.

The Canadian Broadcasting Corporation is a very expensive corporation. It costs more to run the C.B.C. now than it ever cost in the old days to run the Canadian National Railways. It costs almost as much as it did to run Canada itself at one time. The people demand extensive and expensive services. Undoubtedly expenditures have risen, and I suspect they will continue to rise. A certain amount of commercial revenue, therefore, is not only advisable but necessary and is good business on the part of the C.B.C. management. My own opinion is that we have not reached the stage where we can say that commercialism on the C.B.C. is interfering with the primary responsibilities of the C.B.C., that is the dissemination of the type of program outlined at the inception of the corporation. I believe that the programs of this type are being maintained at the present time.

I think one could say this in general, that the corporation is working out a reasonable compromise between commercial necessities on the one hand and the maintenance of a broad national system on the other hand. I want to congratulate the corporation on doing that. These are the four points which were raised by the hon. member for Bonavista-Twillingate (Mr. Pickersgill), I believe, and I have dealt with them.

Mr. Pickersgill: Will the minister permit a question at this point?

Mr. Nowlan: Yes.

Mr. Pickersgill: As far as I can recall, I did not raise any question about excessive commercialism. The question I raised was with regard to advertising on the C.B.C. of United States magazines at the time the government was professing to be interested in promoting Canadian magazines. I was wondering about the good judgment of accepting that particular kind of advertising as opposed to any other kind.

Mr. Nowlan: That was the substance of the question the hon. member raised. I well remember it. I made some comment of another kind at that time. I think he did so or at least I understood him to do so and I think the text will show it, and he is perfectly within his rights in doing so. I am not suggesting for a moment that he should not do it. He was suggesting the possibility of commercial broadcasting being so extensive that we are weakening the corporation.

Mr. Pickersgill: No, I did not.

Mr. Nowlan: If the hon. gentleman did not do so, other hon. members did. That was why I referred to the matter.

Various hon. members dealt with various questions. The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) suggested that all crown corporations, particularly the C.B.C., should be the responsibility of a minister. That is, of course, an argument that has been advanced in this house from time to time but it is one which thus far parliament has not seen fit to accept. Although there may be criticism of the C.B.C. as perhaps being an independent creature and therefore divorced from parliament, there can also be equal criticism if there should be any suggestion that the corporation should come under the control of any minister or any government; that is not the policy, at any rate of this government.

Mr. Pickersgill: Nor of the opposition.

Mr. Nowlan: The hon. member also referred to the necessity of expanding our programs and services in the French language. I agree with him entirely on that matter. I am not going to take up the time of the house in dealing with what has been accomplished in that matter in the last four years. A great deal of work had been done prior to the present government coming into power. We have carried out that program and the French network has been greatly extended and that extension will be continued.

Mr. Chevrier: May I ask the minister a question?

Mr. Nowlan: Yes.

Mr. Chevrier: The question is this. What steps are being taken to make adequate provision for French television stations? What I have in mind is this. I know of an instance—and I do not want to blame anyone for it—in which a licence was granted on the distinct understanding that a certain period of the day would be devoted to French television programs. The station was sold and that was stopped entirely. I spoke to the new owner. He told me that this would not be continued because no programs were being sponsored by the French speaking people in that area. Surely that should not be the reason for determining that matter. It would strike me that this is not the private domain of any corporation, but that it is rather the public domain. That consideration prompts me to ask the minister what provision is being made in those cases? I agree with him that a tremendous impetus has been given both in the C.B.C. and in private stations with reference to—

Broadcasting

Mr. Fisher: Mr. Speaker, there are a number of questions I should like to ask and a number of comments I should like to make as the minister's speech goes along. It seems to me that the hon. member for Laurier (Mr. Chevrier) is taking undue advantage of his request for permission to ask a question. I am just wondering, Mr. Speaker, whether you could see that the rules are enforced?

Mr. Speaker: As long as the hon. member who has the floor was not restive I did not think I should intervene. However, the fact is that the hon. member for Laurier made a short speech.

Mr. Chevrier: I apologize to the house, Mr. Speaker, but not to the hon. member who has interrupted me. I do not apologize to him because he is often a sinner in that respect. I now come back to the question and ask the minister whether he would answer it?

Mr. Nowlan: I am not in a position to answer that question at the moment. I should be obliged to get advice from the C.B.C. with respect to it. I would suggest, with deference, that this is a question which should be explored in the committee and I presume it will be explored there. If the hon. member wants me to get him any information from the C.B.C. prior to that time I shall be glad to do so.

I might say this in passing, although I am not sure that it is in order. One perhaps should not discuss what one may have in mind with respect to legislation to deal with the French network. However, I think this is a fair comment to make. The C.B.C. today—and I am speaking now very roughtly—or Radio Canada covers about one third of the operations of the corporation. It serves the whole province of Quebec and part of New Brunswick and has now gone as far west as Manitoba. The number of directors, who were allocated on a regional basis, in my opinion do not give adequate representation on the board of directors to Radio Canada. One cannot, of course, and one should not by legislation designate directors from a certain group, a certain region, or a certain race. I have considered this matter and the committee may consider it. I have considered recommending to parliament this year the enlargement of the board of directors. Some amendments to the act will have to be brought forward. I think I am prepared to recommend that the number of directors be enlarged by a reasonable number so as to give additional representation on the board to Radio Canada and those on the French network.

The hon. member for Vancouver East (Mr. Winch) dealt at some length and very forcibly with what he said was an infringement of free speech having regard to the fact that certain programs—and I think they were Canadian citizen programs or Canadian forum programs—were interfered with or were in some way controlled by the board of broadcast governors. This is a matter which I think can be dealt with much more effectively in the committee itself than by me at this time. The circumstances to which the hon. member refers are well known. There are rules for controversial programs, where the time is usually used as a forum. The understanding is that all sides should be represented in those discussions.

In the case of an individual program or an individual station, if all sides are not represented and one side fails to show up or something of that kind, the station management can go ahead with what they have, with the one side represented, provided that they undertake to give the other side an opportunity to be heard at some future time so that both sides of the issue can be presented. But when you have a program emanating from a station and then that program is taped and sent off the next day or the day after to a score or more stations across the country which are not under this responsibility, then the taped program presents only one side of the question. That is in general the problem with which the board of broadcast governors is confronted. It is that phase for which they have made regulations and it is that phase which they would like very much to have examined by the committee when the committee has an opportunity to meet.

The hon. member for Essex East (Mr. Martin) dealt at some length with the international service and the fact that the C.B.C. is curtailing its shortwave broadcast to western Europe. Because of the fact that this matter was the subject of a starred question it was necessary for me to deal with it in part this afternoon. However, because the hon. member for Essex East stressed it to such a great extent, I want to deal with it again here for a moment or two.

As I have already said, it is true that the international service to western Europe has been curtailed in certain languages. This is not the first time that has happened. It was curtailed to a marked degree or a substantial degree anyway five years ago and it has been curtailed still further within the last few months.

As I pointed out, there are two economic reasons for this. The north country is developing. At one time it was served by radio by the armed forces and other facilities. Those facilities have been breaking down, they are obsolete and worn out, and it is necessary now

to service the whole north country with adequate radio coverage. In order to do that we are using some of the facilities at Sackville for beaming radio programs into the north country. Another point is that it is very desirable that we get our programs into that highly developing country.

Africa, is a country where there is not such an extensive knowledge of Canada, and our existing service to Africa is being extended substantially. It is, of course, being done on the advice of the Department of External Affairs, which has always worked in close co-operation with the C.B.C. in handling these shortwave programs.

We are maintaining our services to eastern Europe on our shortwave facilities. Throughout there has been some comment about jamming, and so on, and it is interesting to note that reports indicate a substantial decrease in this jamming during the last few months. In Poland there is apparently no jamming now. There have been programs exchanged between Russian and Canadian stations, largely on athletic events, and there is a move on foot now to broadcast programs which might be emanating from Russia.

The old concept of the shortwave service has to be changed in this modern age, and I am told by the officials of the C.B.C. that because of tape recording and modern techniques a better program service will be available now to western Europe.

The hon. member spoke about losing trade because we did not have a shortwave service here. I am sure that if our exporters had to depend entirely on the C.B.C. for the development of trade they would not feel like paying taxes to maintain it on that ground alone.

In western Europe we have common ideas. We have an exchange of ideas and people back and forth at all times. Movement is free and their facilities are available to us for our recordings, programs, and so on. I am told we can give a better Canadian service by using these new facilities than we were ever able to give in the past by the conventional shortwave service which has been used for so many years.

There is a wealth of information, of course, which is available by recording, radio, television, and so forth. In that connection I have a memo here which I think sets forth this point very authoritatively. I am not going to bore the house with the figures of how many people have been served, and so on. There is always some question about this, but in fact there is a very substantial listening audience in eastern Europe for Canadian programs. It is because of this information which we have received that we are maintaining shortwave service to eastern Europe.

I am told that as a result of the better reception made possible by local rebroadcasts of Canadian programs it is expected that the actual number of listeners in the countries concerned will remain substantially the same and might even increase. Thus the decision to eliminate shortwave broadcasts to these five countries would not appear to affect Canadian interests and influence there adversely. Indeed, improvements may occur and considerable savings in public funds will have resulted.

The memo goes on to say:

> I should perhaps mention at this point that the Voice of America, the United States counterpart of the C.B.C.-I.S., does not broadcast by shortwave to the five countries in their national languages.

That is a memo which, frankly, I received from the Department of External Affairs on their reaction to this situation.

The hon. member for Port Arthur (Mr. Fisher), with his usual interesting, forceful manner, covered various facets of the C.B.C.'s operations. I do not intend to deal with all his points. I think I have already dealt with some of them. He raised a very interesting point, of course, and it was something which was raised impliedly by the hon. member for Bonavista-Twillingate in referring to the advertising of United States publications: Just how far does a Canadian national organization go, which is created for the purpose of developing a Canadian culture and an essential Canadianism? Just how far does it go in emphasizing United States' institutions in broadcasts and telecasts? The hon. member pointed out—as was very obvious at that particular time—the telecast which had been made on the occasion of the inauguration of President Kennedy and repeated, I believe, over national systems here. He wondered what contribution that would make to the development of Canadianism and whether Canadian political figures would receive the same treatment in the United States.

It is a very interesting question. One sometimes wonders what treatment Canadian political figures do receive. I received a letter a while ago from Quebec complaining of the fact that the Prime Minister (Mr. Diefenbaker) did not appear on Radio Canada news the night of his Christmas telecast. I made inquiries respecting that matter and was informed that the Prime Minister was a political figure, and since his telecast had appeared at noon it was not thought proper that he should appear again that night, on the news, and Mr. Pearson's Christmas message was carried instead. It is to be noted that the President of the United States appeared three times on the occasion of giving his address on the state of the union. So there is a very interesting field there about which no one has the answer.

Obviously and naturally a program on which the President of the United States appears is of tremendous interest to the Canadian people; at least when he is a new face and a new personality. I think the corporation is perfectly justified in giving a reasonable amount of publicity to him in these circumstances. If they did not do so the demand would be almost irresistible. The question is where we should draw the line between that situation and televising Canadian figures and programs, in this nation of ours jammed up against this so-called undefended border of which we all boast so freely, a nation of 18 million trying to develop a Canadian identity against a nation of 180 million which has tremendous facilities for dissemination of information.

It is a most interesting problem. How we ever were created is something hard for us to understand, but we have grown tremendously because of the courage of those who have gone before us. I am sure the C.B.C. will solve this problem, as they have solved other problems in the past, in developing a Canadian culture, Canadian content and pride in Canada, and at the same time giving us information from across that border.

The hon. member for Burin-Burgeo (Mr. Carter) made me think for a moment or two that our old-time friend, the hon. member for Lethbridge, who at one time sat in that far corner of the house, was here again when he was dealing with the fact that there was a danger of thought control being disseminated by the C.B.C., or at least it was a platform for communism and red infiltration. I am not trying to quote him, but that was the general effect of his statement. I doubt very much whether there is any merit in that. I know that I heartily disagree with the views expressed by the C.B.C. from time to time, and I am sure the same thing could be said of every member of this house. But the C.B.C. is a national organization and one of its purposes is to present views which cover various facets of our activities, political and economic, and I do not think anyone can take objection to that.

Certainly whatever evil or danger there may be in such a course of action, I am sure it is much less than the course suggested by the hon. member, that the C.B.C. should be given directives by the government as to the type of thought control or ideas which are to be disseminated by the corporation. That is something which I do not think any responsible government could accept, or certainly the management of the C.B.C. could not accept. There has to be freedom here and, very desirably so.

Mr. Speaker, I see that my time is almost up. There were various individual questions raised. The hon. member for Kootenay West again raised the question of radio coverage in his area. He again mentioned the question he has raised before of the Nelson radio station which refused to take an advertisement from a newspaper which was operating in opposition to that newspaper-operated radio station.

The hon. member for Port Arthur mentioned the question of newspaper licensees and the fact that no licence should perhaps be given to a radio or television station which was controlled by a newspaper. The hon. member for Bonavista-Twillingate referred to the same thing. Well, if we were starting anew to create the world I think that might have been a good policy to follow.

Mr. Speaker: I am sorry to interrupt the minister at this point, but it is necessary to point out that the hon. gentleman's time has expired. However, if the house would agree to allowing him to continue—

Some hon. Members: Agreed.

Mr. Nowlan: Perhaps I could have two or three more minutes in order to complete my remarks. There has been a pattern established in this country whereby radio and television licences have been granted in the past to interests which also control newspapers and one can hardly change that policy in midstream because if we were to do that I can imagine many newspapers in this country which would have to divorce themselves from radio and television. I think, sometimes, it would be a very good thing for this government if there had been no applications from newspapers, because then there would have been no resentment or criticism by those newspapers who have applied for television stations but failed to get them and who therefore felt that this government was, perhaps, more subject to criticism than would otherwise have been the case. In any event we have this system in Canada today as a result of which, according to the hon. member for Port Arthur (Mr. Fisher), the people of Toronto will have available two television stations, the C.B.C. station manned by so many personnel of the Toronto *Star* that he wonders how that newspaper is ever produced; and if the hon. member expects the other television station to be manned by personnel of the *Telegram* there will be a great opportunity for a newspaper to do very well in Toronto.

The hon. member for Kootenay West (Mr. Herridge) raised a question about service. The hon. member for Assiniboia (Mr. Argue) raised various questions with which, I think, I have dealt in part. He also stressed the necessity of extending television in French speaking areas of Saskatchewan. As I have

said, I hope and believe that this will be done. I agree entirely with the hon. member that it should be done.

The hon. member for Okanagan-Boundary (Mr. Pugh) brought up the question of low power relays. Similar questions asking for additional services were raised in respect of Grand Falls, Humber-St. George's, Halifax, and other areas, and in addition there were other hon. members who did not raise the question in the house but who wrote me notes and reminded me that they had been after me many times before in this connection. They hoped they would not be overlooked because they had not taken up the time of the house on this occasion. Among them was the hon. member for Humboldt-Melfort (Mr. Rapp) who has written to me with particular reference to Tisdale.

Then, of course, there was the perennial question raised by the hon. member for Churchill (Mr. Simpson) and the hon. member for Dauphin (Mr. Forbes) with respect to the extension of radio and television to northern Manitoba. This is a problem with which he has confronted me ever since I took up my present position. It is a very difficult problem. The government of Manitoba is servicing that country with a telephone system. It is going to cost a lot of money to extend television and broadcasting services to the north country. It will have to be done, and I am hoping some way can be worked out whereby with some co-operation we can reduce the cost of those services, because after all the C.B.C. has got to work within certain limits. If it costs, say, $50 per family to provide a service in one area while in another area, equally remote, a service can be provided for $15, hon. members can see the type of problem the C.B.C. is facing in this connection. We have discussed this question time and time again and I am hopeful, and quite confident, that some solution can be worked out.

I think I have covered, though inadequately and hastily, the points raised during the two days when this matter has been before the house. I appreciate the manner in which hon. members have brought these matters to my attention and I hope the committee will have a fruitful session. It will have several months of work before it. Even if we can get out of here by May 1, which we are all hoping to do, it will have three months in which to operate, and I am sure it will be able to make a report which will prove very helpful.

Mr. Pickersgill: I did not wish to interrupt the minister, but before you put the question, Mr. Speaker, may I say that I think one of the hon. gentleman's remarks may have left the implication that I was associated with an objection to President Kennedy's broadcast. I want to make it clear that I am very much in favour of having President Kennedy on the C.B.C.

Mr. Fisher: I should like to make the point very clear. There was no objection to Mr. Kennedy's broadcast. The more the better. But it does raise the issue of what we do with our own politicians. I do not like to be linked with the hon. member for Bonavista-Twillingate, but we seem to have the same point of view on this.

Mr. Nowlan: If I left the impression that either of the hon. members was complaining about President Kennedy's appearance, then I would correct it at once. No one did. But, as the hon. member for Port Arthur (Mr. Fisher) said, it was brought up as an example of how we handle this matter.

Motion agreed to.

WAYS AND MEANS

The house in committee of ways and means, Mr. Flynn in the chair.

CUSTOMS TARIFF

Resolved that it is expedient to introduce a measure to amend the customs tariff and to provide:

1. That the said act be amended by adding thereto immediately after section 2 thereof the following section:

"2A. (1) For the purposes of this act, goods shall be deemed to be of a "class or kind" made or produced in Canada if

(a) in the case of goods other than goods custom-made to specifications, goods of approximately the same class or kind are made or produced in Canada; and

(b) in the case of goods custom-made to specifications adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

(2) Notwithstanding subsection (1), goods other than goods custom-made to specifications shall be deemed not to be of a class or kind made or produced in Canada unless at least ten per cent of the normal Canadian consumption of goods of the same or approximately the same class or kind are made or produced in Canada.

(3) The decision of the minister shall be final with respect to the following matters:

(a) the normal Canadian consumption of the goods described in subsection (2), and

(b) whether goods are custom-made to specifications, and whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time."

2. That subsections (9) and (10) of section 6 of the said act be repealed and the following substituted therefor:

"(9) For the purposes of this act, notwithstanding section 2A, goods may be deemed to be of a class or kind not made or produced in Canada where similar goods made or produced in Canada are not offered for sale to the ordinary agencies of wholesale or retail distribution or are not offered to all purchasers on equal terms under like conditions, having regard to the custom and usage of trade."

3. That subsection (4) of section 6A of the said act be repealed.

4. That any enactment founded upon this resolution shall be deemed to have come into force on the 21st day of December, 1960, and to have applied to all goods mentioned therein imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

Hon. Donald M. Fleming (Minister of Finance): The resolution now before the committee contemplates certain amendments to the Customs Tariff. The text of the proposed amendments is actually contained in the resolution itself. This follows the practice of the house in giving to hon. members in precise legislative form the text of amendments to such statutes as the Customs Tariff and the Excise Tax Act. The practice, of course, with respect to amendments to the Income Tax Act is somewhat different. There it is the practice to state the gist or effect of certain amendments. But in the case of statutes such as those I have mentioned the practice is to set forth in the resolution the precise terms of the proposed amendments. That is true in the case before us.

The proposed amendment is to be found in *Hansard* of December 20 at page 1017. In the budget speech on that date I dealt at some length with the situation out of which the proposed amendment has arisen and the proposed effect of the change in legislation. I do not wish to cover again the ground I sought to traverse in my remarks that night. They are to be found at pages 1013 and 1014 of *Hansard* of December 20. Perhaps in this part of my opening remarks I might just touch briefly on some of the features of the proposed amendment.

The anti-dumping provisions of our customs laws date from the year 1904. They were introduced by the late Mr. Fielding. It was in the year 1907 that legislation was first introduced which makes use of the expressions "class or kind made in Canada" or "class or kind not made in Canada" or similar phrases embodying the class or kind principle. This again was a measure introduced by Mr. Fielding.

I have already said in general terms that originally this legislation embodying the class or kind concept was intended to be given a broad interpretation, and it was in fact given a broad interpretation until about a decade ago. I think it is an incontestable fact that the intention was that the reduction given off the ordinary rates of customs duty in the case of a class or kind of goods not made or produced in Canada was intended to apply to goods not directly competitive with those in Canada.

[Mr. Nowlan.]

As I have said that was the kind of interpretation that was always given to these phrases in the law until about the year 1950. In the earlier period the differences in the rates applicable on the one hand to goods of a class or kind made or produced in Canada and on the other hand of a class or kind not made or produced in Canada was not as great as latterly, but in these more recent times with a growing difference in these rates the incentive has been very greatly multiplied on the part of importers or on the part of producers in other countries who wish to export into the Canadian market to bring their goods within the definition of those of a class or kind not made in Canada.

In other words, the incentive in this regard has grown considerably. This has had the effect of increasing the litigation which has marked the period of the last decade. Indeed one can say that in the period up to the last decade the administration of the terms to which I referred was fair and workable but in the decades since—I am speaking now particularly of the 1950's—the litigation has greatly expanded. Indeed there has been what might fairly be called a welter of litigation. This is attributable to several factors, one of which I have mentioned, namely the fact that the incentives are very much larger now with a considerable widening of the difference in the rates applicable as between the two types, and on the other hand the fact that there has been a growing volume of imports. This has also had the effect of increasing the volume of litigation.

Another factor of considerable importance is that a trend developed which I think it not unfair to say gathered a fair amount of momentum in the course of all the litigation, a trend of departing from the original interpretation. The result of this has been an erosion of the original interpretation given to these expressions in the Customs Tariff and accompanying that erosion a lessening of the benefits enjoyed by Canadian producers from the Customs Tariff, a measure of protection of their competitive position that parliament certainly intended to give them and which they enjoyed under the recognized interpretations down to the period of the last decade.

I have already said something on the subject of the relationship of GATT to this question. The committee is aware that a number of the rates on various commodities which are affected by this phrase are bound under GATT, but the definitions contained in the present statute and order in council are not bound. They were not the subject of negotiation. The effect of the trend of interpretation of the definitions in the Customs Tariff in the past decade has been to give a windfall benefit to the producers of other countries

who are seeking markets in Canada, something that was not expected on the part of the negotiators who represented their countries in the various GATT negotiations, beginning with 1947.

Nowadays—and of course GATT has continuously emphasized this fact—when countries are in a position to reduce their tariffs they seek compensating trading advantages in the markets of other countries, particularly of countries which are interested in obtaining a reduction of the tariffs of the first country. These become very important in the course of negotiations when it becomes a matter of making exchanges of trading advantages.

The result of this course of decision in Canada over the past decade relating to words used in our own Customs Tariff has been to give to the exporters of other countries an advantage in our market for which there has been no corresponding concession made by those countries in their markets in favour of the exports of Canadian goods into those markets. That is why I refer to this as a windfall. It was something that was not to be expected on their part when the GATT agreements were first negotiated or in the early renewals. It was not paid for and it was not a matter of agreement at all. It has been a windfall benefit.

We do not think that under modern conditions a windfall benefit should be given to other countries unless Canada obtains corresponding benefits in their markets in the course of negotiations under the auspices of GATT. That has been the approach to this question in recent years and it is a sound approach.

The number of times these important phrases appear in the Customs Tariff is quite extraordinary. If you comb through the provisions of the Customs Tariff in detail you will find that the expression "of a class or kind not made in Canada" appears in 70 items and you have similar appearances of corresponding expressions such as "of a kind not produced in Canada", "of a class or kind not produced in Canada", "of a class or kind not manufactured in Canada", and so on. There are half a dozen other similar expressions appearing. There are many items in the Customs Tariff in which this expression or one similar to it appears.

What of the meaning of these words? I think it is common ground that in legislalating with reference to business transactions it is desirable that the legislation be clear, that those who are entering into important business transactions under the provisions of the law should know what will be the consequences, particularly in relation to financial results. There have been definitions in the present section 6 of the Customs Tariff. They are subsections 9 and 10 of section 6. The present amendment would propose to repeal these two clauses, substitute new clauses and introduce certain new provisions. The new provisions are set forth in the resolution.

The effect will be to set up two types of goods under the broad category that we are discussing. They are goods that are made up according to specifications, which may be called custom made, and then there is the broad class of goods not of the custom-made type. In the amendment proposed we have two classes of goods, one described as goods "custom made to specifications" and the other described as "other than goods custom made to specifications", etc.

Definitions are provided in the amendment which it is believed will be of very great assistance in clarifying the law. In that way they will be of assistance to those who are entering into business transactions involving imports. These amendments will also have the desirable effect of restoring to the interpretation and administration of these provisions what was fully accepted until a decade ago when this process that I have described as one of erosion set in. In other words, we are proposing to restore to this concept the well recognized and established meaning that this concept and these phrases bore from 1907 right down to the beginning of the last decade.

In relation to this matter of definition there is an important point. I will enlarge on it in dealing with the proposed definitions as applied to the two classes of goods referred to in the new amendment. The statute, in the clauses to which I have referred, authorized the governor in council to establish the percentage of the normal Canadian consumption and to fix such percentage in defining whether goods are or are not of a class or kind made in Canada, and it was by an order in council that these powers were exercised. The order in council is P.C. 1618 of July 2, 1936. It provides that "articles shall not be deemed to be of a class or kind made or produced in Canada unless a quantity sufficient to supply 10 per centum of the normal Canadian consumption of such article is so made or produced".

In other words, there has never been a statutory provision defining the percentage of consumption in the Canadian market that must be produced in Canada before the article in question shall be deemed to be of a class or kind made in Canada. That has been a definition established by order in council in existence now for some 25 years and passed under the authority of the statute. One of the results of the amendment now submitted to the house is that this definition will no longer

rest upon an order in council. We are proposing that the house should legislate completely on this subject without the necessity of any recourse to the fixing of percentages by order in council.

With respect, I invite the committee to approach this question from the point of view of dealing with the amendments according to their terms and, I think, the clear sort of definition that is proposed in the amendments. There is no occasion whatever for exaggerated statements in relation to the purpose of this amendment. Since the resolution was introduced into the house on the evening of December 20 there have been statements describing it as a measure of high protectionism. It is nothing of the kind. The effect of this measure is to restore the concept that was accepted and, indeed, not challenged in this country up till a decade ago, a well established and unchallenged concept. The fact is that there has been an erosion of that concept since and that producers in other countries have taken advantage of that erosion and have been shipping into the Canadian market more than they would otherwise have been entitled to at these very low rates applicable in the case of goods of a class or kind not produced in Canada, and they have done so without Canadians obtaining any compensating advantage in the markets of other countries.

This is the point, and it is the essential point that the government has in mind in bringing this legislation before the house. There is no justification or warrant whatever for describing this, as it has been described in certain newspapers, as a measure of high protectionism. It is nothing of the kind.

If it will be of assistance to the committee I should like to draw attention now to what I believe to be the essential features of the amendment now proposed. Let me just recapitulate them briefly in the hope that it may be of assistance to the committee in the discussion to follow.

First, for the first time the legislation will contain a positive definition instead of merely a negative limitation. Thus the negative formulation that "goods shall not be deemed to be of a class or kind made or produced in Canada unless" would be replaced in respect of the entire subsection by the positive formulation that "goods shall be deemed to be of a class or kind made or produced in Canada if".

Since a positive definition is being introduced it is appropriate that it be placed in conjunction with all other definitions in the Customs Tariff, that is to say, immediately after section 2, and that is why it is proposed to insert now a new section numbered 2A. The positive formulation may be expected to eliminate the uncertainties which might have surrounded a mere limitation although in fact, in the past, words with a limiting effect have in general been applied by the department and the courts as if they were a definition.

Second. I have already drawn attention to the two kinds of goods, goods that are custom-made according to specifications and goods that are not custom-made according to specifications. Perhaps this latter group could be called, for simplicity's sake, "shelf goods". They are goods of a kind that may often be found upon shelves, in inventories or in stock.

Now, I have pointed out the difference that is drawn in the proposed amendment between these two types of goods. I point out that in regard to shelf goods we have a provision to be found in 2A (1) (a):

> in the case of goods other than goods custom-made to specifications, goods of approximately the same class or kind are made or produced in Canada;

That is the definition or interpretation to be given to the words "of a class or kind made or produced in Canada". Then, in clause (2) of the amendment we have these words:

> Notwithstanding subsection (1), goods other than goods custom-made to specifications shall be deemed not to be of a class or kind made or produced in Canada unless at least 10 per cent of the normal Canadian consumption of goods of the same or approximately the same class or kind are made or produced in Canada.

Now, Mr. Chairman, this is the second observation I wish to make in regard to shelf goods. The word "approximately" is now inserted. This is designed to restore the breadth and flexibility of the whole concept which has been gradually narrowed down by the decisions of the tariff board, supported by the courts, reversing the rulings of the department, departmental rulings that were in accord with the interpretation well established up until a decade ago. It should be noted that in many cases these departmental rulings were in effect, as I have indicated, at the time the tariff items involved in "class or kind" were bound by GATT.

Mr. McIlraith: May I clarify one point before the minister leaves it? When he says the interpretation was well established up to a decade ago, do I understand him to suggest that the tariff board and the courts changed their decisions or that appeals were taken to these bodies and their decisions differed from the interpretations of the departmental authorities?

Mr. Fleming (Eglinton): Yes; I think if the hon. member will examine the record of what I have just been saying he will see that the changes have been brought about in the

narrowing of the concept, what I have described as a process of erosion that has occured as a result of the decisions of the tariff board on appeals and decisions of the courts.

The third observation, Mr. Chairman, is on the 10 per cent requirement which also relates to shelf goods. This requirement has been transferred from the present order in council to the basic legislation and, at the same time, it is provided that "Canadian consumption" is to be "as determined by the minister". This change is designed to reduce uncertainty and eliminate profitless litigation.

In so far as this matter of the jurisdiction conferred upon the minister is concerned, there has been a good deal of misunderstanding in some of the newspaper articles that I have seen on this subject. It has been pretended that this clause is designed to destroy the jurisdiction of the tariff board and to vest in the Minister of National Revenue arbitrary powers. That is a far-fetched, indeed fantastic, misinterpretation of the language of the proposed amendment.

Mr. Hellyer: That is what it says.

Mr. Fleming (Eglinton): That is not what it says. It is quite evident the hon. member for Trinity either has not read the clause or has not read it with any degree of adult understanding.

Mr. Hellyer: That is what it says in English. I do not know in what language you are reading it.

Mr. Fleming (Eglinton): Evidently the hon. member does not know how to read English.

Mr. Hellyer: Certainly you don't know how to read it.

Mr. Fleming (Eglinton): I should like now to refer to the fact that the regular appeal procedure of the tariff board will remain open to those concerned with regard to (a) whether or not imported goods are of approximately the same class or kind as goods made in Canada; (b) the determination of the amount of Canadian production and (c) whether or not the number of articles manufactured in Canada does, in fact, constitute a minimum of 10 per cent of the normal Canadian production.

Mr. Hellyer: And that is not arbitrary power?

Mr. Fleming (Eglinton): Mr. Chairman, this illustrates how completely befuddled the hon. member for Trinity is. I am talking about the jurisdiction of the tariff board and the hon. member, lost in his usual fog, is talking about the arbitrary powers of the minister. I am not talking about the powers of the minister at all, I am talking about the right of appeal to the tariff board, where the door is open. Perhaps the hon. member, until he comes out of his fog, had better remain silent.

Mr. McIlraith: The minister had better address his remarks to the bill. It is a very important bill.

Mr. Fleming (Eglinton): It is an important one, which can be better understood without these gratuitous interruptions by the hon. member for Trinity who has not read the bill.

Mr. McIlraith: These interruptions are brought about by your gratuitous references on the basis of personality.

Mr. Fleming (Eglinton): Will the hon. member for Ottawa West address his efforts to restraining his colleague from making these gratuitous and irrelevant interruptions?

Mr. McIlraith: No, he is trying to keep the minister in order.

Mr. Fleming (Eglinton): The minister does not need this gratuitous assistance from the member for Ottawa West.

Mr. McIlraith: He could do with a model of some sort.

Mr. Fleming (Eglinton): He will not be looking to the hon. member for Ottawa West for any helpful instructions. He will take them from other sources, but not from the hon. member for Ottawa West who has been holding forth in his sepulchral tones.

Now, the fourth observation I should like to make on this subject in the hope that it will be of assistance to the committee is this: For the first time an attempt is made to grapple with the problem of "custom-made goods". There has been a good deal of discussion over the years, Mr. Chairman, in regard to this matter, and I think it is quite clear that it never was intended by any government that introduced words of this kind that custom-made goods should automatically be ruled as not made in Canada. However, the rulings of the courts have tended in that direction.

In the field of custom-made goods, each product is either unique or virtually unique. Accordingly, it has been found necessary, in the provisions relating to this field, to confer upon the Minister of National Revenue a discretion that is broader than was necessary with respect to mass-produced or "shelf" goods. This is the reason, and a very complete reason, in my mind, for the proposed provision with respect to custom-made goods put forward here. We have in the proposed amendment the following provision:

For the purposes of this act, goods shall be deemed to be of a class or kind made or produced in Canada if—

I shall now refer to clause (b):

—in the case of goods custom-made to specifications, adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

This definition with respect to goods custom-made according to specifications will undoubtedly bring the position much closer to the original intention, to the established understanding and meaning of this legislation of a decade ago and will stop the process of erosion that has occurred in this period.

Mr. McMillan: What does the minister mean by "a reasonable period of time"?

Mr. Fleming (Eglinton): This is a matter of fair interpretation. It will depend upon the nature of the particular goods. Naturally every one of these cases will have to be examined on its own circumstances, and regard will have to be had for all the circumstances such as the length of time it takes to bring a particular article into production. It is a matter in which regard will have to be had for the business practice in this situation and I think the hon. member will appreciate what may be regarded as a reasonable time will vary from one type of goods to another. Something might depend also in such situations on the extent to which order books were filled up.

Mr. Pugh: Will the minister accept another question?

Mr. Fleming (Eglinton): Yes.

Mr. Pugh: This thought just runs in my mind. Would you be obliged to have a firm offer from a producer in Canada to produce that type of goods; I refer to a firm offer from a producer in Canada indicating that he is going to produce the item or could produce it?

Mr. Fleming (Eglinton): No. It is not necessary that it be a firm offer. However, in any situation that arises calling for an interpretation in this matter, regard obviously will be had for all of the circumstances that concern it. That does not necessitate a firm offer in the sense of a binding legal obligation. But when the question arises for determination with respect to one of these custom-made goods, it will be the duty of those who are given that responsibility under the legislation to determine whether, having regard to all the circumstances, adequate facilities exist in Canada for economic production of that item of goods within a reasonable period of time.

Mr. Pickersgill: Will the minister permit a question, for the purpose of clarification?

Mr. Fleming (Eglinton): Yes.

[Mr. Fleming (Eglinton).]

Mr. Pickersgill: Will the minister explain how you could make any determination of whether there was any demand for custom-made goods before you had a customer?

Mr. Fleming (Eglinton): I take it that we are still speaking of custom-made goods?

Mr. Pickersgill: Yes.

Mr. Fleming (Eglinton): Not shelf goods?

Mr. Pickersgill: No.

Mr. Fleming (Eglinton): All right. With regard to custom-made goods, suppose the situation arises in respect of a Canadian importer or, let us say, of a manufacturer in another country who wishes to know what will be the tariff rate applicable to his goods if they are here in Canada. A ruling is asked for. It may be asked for in advance of actual entry. If entry occurs, of course, a decision must be made as of that time. That decision is important because the results can be substantial having regard to the wide difference in the applicable tariff rates. Regard will be had to capacity and that will involve a determination in Canada as to whether the facilities exist. It does not mean that goods of precisely the same type and manufactured according to precisely the same specifications must have been made previously. There are numerous situations in which goods that are similar in nature have been produced but not of precisely the same kind as those that are specified in the particular case. It is in this area that some rigid and hard decisions have been made in the past.

I am prepared to contend that it never was the intention of parliament and never was the intention of governments that introduced legislation of this kind down through the years since 1907 that where the capacity exists, it should be a precise requirement of the legislation that the particular item of goods should actually have been made before it shall be deemed to have been of a class or kind made in Canada.

The Chairman: Order. I must inform the committee that the minister's time has expired. I understand there is unanimous consent that he continue.

Mr. Fleming (Eglinton): Mr. Chairman, I think I have completed my general remarks on the introduction of the bill. I realize there will be many questions. It is for the committee to decide whether they wish to ask questions now or later. I am here to serve the committee.

Mr. Pickersgill: I was simply trying to elucidate the last point made by the minister. I think perhaps I did not make my

question sufficiently specific. However, taking the answer the minister gave, I understand that if an importer of some article that is not now an article that is made currently in Canada—that is, a custom-made article—goes to the department and asks for a ruling the department would then have an onus put on it to search around Canada in order to find out whether there was capacity to make this article before giving an answer as to what the duty was. However, a great many people order things, although perhaps not a custom-made article of the kind the minister has in mind, and they do not go and ask the department for a ruling in advance. Indeed, I am not sure whether the department would give it. What I should like to know is what the *modus operandi* is here? I think we should all like to know this because we cannot form any judgment about this matter without knowing it.

Mr. Fleming (Eglinton): I think there is one circumstance bearing on this question that will help to answer the question of the hon. member. What we are dealing with here are, broadly speaking, not small articles.

Mr. Pickersgill: Oh, no.

Mr. Fleming (Eglinton): We are dealing here largely with large machines and indeed often machinery systems. In this situation I cannot imagine these people going very far in incurring substantial obligation without assuring themselves of where they stand with respect to the custom duties that are likely to be imposed.

Mr. Pickersgill: That is exactly the point that I should like the minister to follow up. He is asking us to make what is in effect a new law with respect to custom-made goods, a law that has not existed previously. We should know how it is going to operate. Suppose there is no manufacturer for these custom-made goods. There may be a potential manufacturer but there is no actual manufacturer now. Every time someone comes to the Minister of National Revenue to make an inquiry about wanting to import some new kind of huge bulldozer from some other country, must the Minister of National Revenue refuse to answer what the duty on it will be until he searches from one end of Canada to the other in order to find out whether there is a potential manufacturer here and perhaps get by a construction season and put the work off to another year? That is the kind of practical problem that will arise in this case. As the minister so correctly stated, these are big machines or perhaps systems of machinery, where a big capital investment is going to take place, and people are not going to want to wait six months while this question is being determined.

Mr. Fleming (Eglinton): I think the hon. member may be unconsciously exaggerating the difficulty.

Mr. Pickersgill: Perhaps so.

Mr. Fleming (Eglinton): We are not here in the realm in which there are great numbers of producers involved. There are perhaps not more than about eight or ten manufacturers of heavy machinery or large items of machinery in Canada. Hence the difficulty that the hon. member foresees in those proportions is not anticipated.

I made brief reference to the subject when I spoke on December 20 and drew attention to the fact that there is confidential information often available in these cases that enables the department to make rulings and to obtain what is required in the way of data from the producers who are concerned.

May I make just this one final observation. This matter is of interest not only with respect to the customs duties under the 70 particular items of the Customs Tariff to which I have referred but it is also of considerable importance in the administration of the anti-dumping laws. If hon. members will have regard to section 6, subsection 1 of the Customs Tariff they will see that dumping duties apply only in respect of goods of a class or kind made or produced in Canada. Accordingly all class or kind determinations are strictly relevant in this connection. The anti-dumping laws cannot be invoked unless what is concerned are goods of a class or kind made or produced in Canada.

In so far, therefore, as the new legislation results in "made" determinations in borderline cases, this will have the effect of enabling dumping to be dealt with by the application of the anti-dumping duty.

Mr. Benidickson: Mr. Chairman, at this stage of our debate we have an opportunity to elicit further information. It is true that the minister did describe his intentions in his budget speech of December 20 to an extent, but I was rather disappointed in some of the imponderables in connection with these proposals. We have had very little additional information given to us this afternoon beyond what was described when the minister spoke on this subject on December 20.

At this stage there are a number of questions that naturally arise because the minister's statement to date is lacking in the necessary information. The minister indicated that in an amendment of this type to the Customs Tariff Act the language that we find

in the resolution will compare very closely with the language that will appear at the next stage of debate when we have before us the amending bill.

If that is so, and we accept that, I think all of us who have read the language in the resolution that is now before us will see very quickly that, far from finding here something in the nature of preciseness, in some of the essential factors we find the very opposite.

The hon. member for Welland raised a very pertinent question, which I have here in my notes and which arouses my curiosity in connection with the language of this resolution. It refers to the language and what is a "reasonable period of time".

Before we proceed from the resolution stage to discussion of the bill I think the minister should give us a much better explanation than he has so far provided as to what is a reasonable period of time. I felt that the explanation was very foggy indeed and it certainly did not satisfy the curiosity that I have as to the minister's intention in respect to a reasonable period of time.

Then I would draw the attention of the committee to another phrase which is certainly also very vague indeed. I think we must have some further explanation of the intention of the ministry in regard to it. I refer to the phrase in the very same section. What is going to be, in the opinion of the minister, "economic production"? That is indeed a very wide and broad phrase and would require considerable clarification.

While the minister recited perhaps six or seven times, simply as a statement, that there has been within the last decade, by reason of litigation, what he called an erosion of what was the original intent with respect to this item in the Customs Tariff, I was disappointed that he did not give any cases to illustrate what he had in mind in this respect. I think that as the debate continues we should hear from the minister a citation of some of the litigation and hearings before the tariff board and in the superior courts about which he complains and which he says are largely responsible for his decision to bring in this amending legislation.

I felt that the minister certainly skirted around section 3 of this proposed resolution when I think he used the phrase "The proposed legislation will give a broader discretion to the Minister of National Revenue in so far as decisions under this section are concerned". It is certainly not a matter of broader discretion. One simply has to read the language. It says here:

> The decision of the minister shall be final with respect to—

This, that and the other thing. That certainly was the understatement of the day, when the minister attempted to brush aside this arbitrary power by saying that there is a broader discretion.

Mr. Fleming (Eglinton): Mr. Chairman, I think the hon. member has unintentionally quite misunderstood my statement. I was drawing attention to the fact that the power of decision conferred on the minister applies in the one class of goods but not the other. I was dealing with the two classes of goods, one the custom-made class of goods and the other the shelf class of goods.

Mr. Benidickson: Mr. Chairman, one has only to read the language here, which is very plain:

> The decision of the minister shall be final with respect to the following matters:
> (a) the normal Canadian consumption of the goods described in subsection (2), and
> (b) whether goods are custom-made to specifications, and whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

When one reads that language one recognizes immediately that this is certainly not a matter of broader discretion, which was the mild description given by the minister, but the conferring upon the minister of arbitrary powers of very substantial consequence indeed, an absolute discretion in these matters which are matters of fact. I take it that the minister, with powers of this kind, could perhaps in his discretion make decisions that are contrary to fact, such as would be determined and have been determined hitherto by litigation by an appeal on the part of the taxpayer to our courts, our tariff board and the like.

That, with respect to these matters, is a right that is being taken away from the taxpayer. This, instead of providing preciseness and something definite, I suggest will actually bring in uncertainty on the part of the business community when they find that they are not going to be able to rely on a history of judicial decision. These matters are of utmost importance in their cost of production, because, as the minister said, most of these items of the custom-made type are exceedingly expensive and are perhaps a basic factor in the cost of production and in manufacturing of other goods that have to be produced in competition on a world wide basis.

I am satisfied that when these matters are not likely to be decided by rule of law and the recording of decisions of the tariff board and our courts, and depend, on the contrary, on the decision of a minister, many businessmen facing this uncertainty will perhaps

decide that they cannot go ahead with their plans because of the vagueness and uncertainties of this law.

I hope, Mr. Chairman, that we will hear from the minister further about some of the definitions of these broad phrases that are contained in the language of this resolution. I refer to a reasonable period of time, economic production, adequate facilities and the like. I do not think we can give adequate consideration to a discussion of the intent in this legislation until we get from the Minister of Finance or from the Minister of National Revenue who will be making the decisions under this statute a further explanation of what their real intentions are under the broad provision which is contained in this resolution.

Mr. Fleming (Eglinton): Perhaps I could deal with one or two of the points which have been raised. I believe we are to rise in a minute or two—

Mr. Argue: Mr. Chairman, the custom is that a representative—

Mr. Fleming (Eglinton): I was assuming the hon. member for Assiniboia would not wish to speak when there are only about one and a half minutes remaining before we rise.

Mr. Argue: I should like to speak for that minute and a half.

Mr. Pickersgill: Before the hon. member for Assiniboia continues, may I ask a question—

Mr. Argue: No.

Mr. Pickersgill: I think the minister made a misstatement and I should like to have some clarification.

The Chairman: Order.

Mr. Argue: I think I have the right to speak. In the minute and a half or minute at my disposal I should like to say that while I listened with great care to the spokesman of the Liberal party I was unable to determine in my mind from his statement the exact position which the Liberal party takes on this question. I should like to say for the C.C.F. new party that we feel that this resolution should not be embarked upon, that this is a return to Tory protectionism and a continuation of the policy followed by this government since it took office of carrying forward one increase in tariffs after another. The government in embarking on this undesirable policy is in my judgment working against the modern trend. The government, in going forward with this kind of policy, is using old weapons, old means which have invariably led to increased tariff barriers and retaliation in the past and to impediments to an expanding international trade.

This government has, of course, been very free with its advice to other nations. After certain discussions had taken place overseas in December with regard to common market procedures the Minister of Trade and Commerce at that time made it perfectly clear that Canada was prepared to retaliate if Britain went into the common market. I wonder if the government is retaliating in advance.

Mr. Fleming (Eglinton): That is utterly silly. There is no retaliation here at all, and if the hon. member does not know that he does not understand much about it.

Mr. Argue: The minister's skin is very thin.

Mr. Fleming (Eglinton): It is not. It is quite normal, but I wish something could be said about the way the hon. member uses his tongue to say things which are utterly at variance with the facts.

Progress reported.

OIL

STATEMENT ON NATIONAL OIL POLICY

Hon. George H. Hees (Minister of Trade and Commerce): As the house is aware, the government has been giving active consideration to the situation of the oil industry in Canada for some time. It has had the benefit of a constructive report from the royal commission on energy, and the national energy board has studied intensively the changing conditions which have characterized the period since the commission reported.

I wish to inform the house that the government has decided upon a national oil policy which is, briefly, to achieve target levels of production of oil, including natural gas liquids, which will be set from time to time, and which will be designed to reach approximately 800,000 barrels a day in 1963. This objective for 1963 can be achieved by the industry on an economically sound basis, and will be approximately as high as the figure which would be achieved if the Montreal pipe line were to be constructed.

The production target level for the first part of this period will be an average of 640,000 barrels a day for the year 1961, with a level of not less than 625,000 barrels a day to be attained by mid-year. This compares with an average production of 550,000 barrels a day in 1960.

These targets are to be reached by increased use of Canadian oil in domestic markets west of the Ottawa valley, and by some expansion of export sales largely in existing markets which can be reached through established pipe lines.

The growth in domestic use is predicated in particular on substituting in Ontario markets west of the Ottawa valley products refined from Canadian crude for these now supplied from foreign crude. This will require in Ontario the displacement of the present small imports of crude, and a progressive reduction in imports of foreign products and transfers of products refined from foreign crudes in Montreal. Refining capacity in Ontario will have to be increased over the period so that by 1963 capacity is sufficient to enable the Ontario market west of the Ottawa valley to be supplied substantially from Canadian crudes.

The government program for expanded production of oil will be on a voluntary basis, but importers of crude and petroleum products will be required to report their imports monthly from January 1, 1961 in order to permit the national energy board to continue to assess the situation.

The increase in production of Canadian oil reflected in these target levels will of course require a sincere effort and full co-operation by all segments of the industry. The government desires that this effort and co-operation will be forthcoming without formal regulation.

The government has instructed the national energy board to evaluate the contribution of individual companies to the general efforts of the industry, as well as to report periodically on the progress of the program. If this progress suggests that voluntary efforts are not producing the results anticipated, then the government will take whatever further steps the circumstances may require to ensure the success of its policy, including the proclamation of section 87 of the National Energy Board Act, which provides for the regulation of imports and exports of oil.

In developing its policy the government has full regard to the interests of other countries which might be affected by its decisions. Its present program is designed to achieve the national objectives with the least possible disruption of normal trade patterns.

The increase in exports which is integral to the government's program is wholly consistent with the growth of sales of Canadian oil contemplated when exemption from United States oil import controls was established, under which Canadian oil is relatively free to move into the United States by overland means of transportation.

The progressive displacement of imported crudes and products in the Ontario market is considered to be fully consistent with the public announcement of the government of Venezuela that it considers that its oils should not reach these markets in the interior of Canada.

[Mr. Hees.]

The United States government has been made aware of the Canadian government's plans in view of the close connections between the oil economies of the two countries. Other interested governments are being informed today of the contents of the announcement which I have just made.

Hon. Lionel Chevrier (Laurier): The house has listened with care and I am sure a great deal of interest to this statement which on the face of it appears to be an important statement emanating from the government with reference to the oil industry. After having looked at it carefully and at first blush this appears to us to be not a statement of national policy but only a repetition of what was contained in the recommendations of the Borden commission set up some few years ago.

As all hon. members know, the Borden commission presented to the governor in council in July of 1957 a special report on oil. The announcement today in our opinion is a faithful reproduction of the Borden commission's recommendations as they can be found at page 6-32 of the second report of the royal commission on energy. I should like to place on the record a brief summary of the recommendations of that commission:

To summarize, the commission recommends:

(1) That it be national policy

(a) to encourage and permit the export of Canadian crude oil without licence, and

(b) to ensure the continued use, consistent with the interests of the Canadian consumer of petroleum products, of Canadian crude in refinery areas of Canada accessible to it by existing pipe line facilities, thereby increasing the market outlets for such crude oil.

(2) That to implement such national policy the oil companies concerned take steps as soon as possible to displace, with products refined from Canadian crude, a volume of petroleum products now moving into the Ontario market from the Montreal refinery area equivalent to approximately 50,000 barrels daily of crude oil.

(3) That to implement further such national policy the Canadian oil industry take vigorous and imaginative action very substantially to enlarge its markets in the United States on a basis that will ensure the continuing participation of Canadian crude in these markets and in their expansion.

(4) That no government action should at this time be taken to ensure the construction of pipe line facilities to transport Canadian crude oil to the Montreal refinery area and that before any such action is taken an opportunity be given to the oil industry to demonstrate that it can find markets elsewhere in Canada and the United States sufficient to sustain a healthy and vigorous Canadian oil industry with the incentive for further exploration and development.

(5) That, if government action should become necessary to implement the national policy we have recommended above, imports of crude oil be made subject to licence and that such licences be denied (except for some good and sufficient reason) to refiners in a refinery area in Canada where adequate pipe line facilities exist for the transportation of Canadian crude oil to meet the demands of such refinery area, but that crude oil

imported through a pipe line or by motor carrier or rail and produced in the country from which such crude oil is imported be exempted from such licensing.

I ask the house to find the difference between the statement just made by the minister and the recommendations of the Borden commission which I have just read. I submit there is no difference in essence, between the two and I challenge the minister to point out any material difference between the recommendations I have just read and the statement he has made.

Of course, we will examine very carefully the statement that has been made and in due course and from time to time as the opportunity arises, we will make known our position on this policy. After listening to the statement, the only conclusion to be derived is that (1) it took the government two years to take cognizance of the report of the royal commission and (2) it took the government the two-year period preceding that to submit this matter to a royal commission on energy.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the statement put before the house today by the Minister of Trade and Commerce (Mr. Hees) is undoubtedly an important one for a lagging Canadian oil industry. I believe that this announcement of policy by the government holds out the hope of renewed activity, renewed production and an increase in markets for our Canadian oil industry.

The hon. member for Laurier (Mr. Chevrier) appeared to be critical of the government's policy because he alleged it followed the royal commission's report. The report is in much greater detail than this statement. I know it follows it to some extent but I can see no reason to criticize the government for having gone forward with certain recommendations put before the country by this royal commission.

For many years hon. members of this group have advocated a national energy policy. We hope this is a step in the development of such a greatly needed national energy policy. I tell the Minister of Finance (Mr. Fleming) that the type of policy enunciated today to deal with a difficult trade situation as far as the oil industry is concerned in the opinion of our group is a preferable one to that of increases in tariffs as a means of dealing with this problem.

We, of course, will have to study the target figures. We will concern ourselves with how this policy is implemented, with the allocation of markets among Canadian companies, and so on. We will have comments to make on this aspect of the policy as it unfolds.

It is well known to hon. members of this house that the international oil industry is in general an international cartel and to the extent that this policy will encourage production in Canada by independent oil companies we believe it will be a welcome policy in the opinion of Canadians. We like to see any government adopt the kind of social planning necessary to the welfare of our country.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire what the business will be for tomorrow and Friday?

Mr. Churchill: Mr. Speaker, tomorrow we will carry on with the budget resolutions. If they are concluded, we will take the estimates of the Department of Citizenship and Immigration on Friday.

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

ANSWERS TO QUESTIONS

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

RADIOACTIVITY SAMPLING RESULTS

Question No. 60—**Mr. Howard:**

1. For each of the radioactivity sampling stations in Canada, what was for each month since July 1, 1959, the level of each radioactive material so found in (a) milk; (b) soil; (c) rainfall; (d) air; (e) water; (f) bones; (g) cereal grains by type; (h) salt water fish; (i) fresh water fish; (j) vegetables by type?

2. Have any steps been taken to measure the levels and effects of such radioactive materials in the human body and, if so, what are the results of such steps and studies?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1. (a) Table attached.

(b) Soil—Initial samples collected during summer of 1960; analyses not yet completed.

(c) Table attached.

(d) Table attached.

(e) Water—No measurements made.

(f) Bones—(Measurement of strontium-90 content in micro micro curies per gram calcium). Human bone samples are made available to the Department of National Health and Welfare through the co-operation of pathologists across Canada. Samples are not received at specific intervals nor from specific sampling stations. Results for samples collected since July 1959 will not be available until the publication of the next annual report.

(g) (i) Cereal grains-wheat—(measurement of strontium-90 content in micro micro curies per gram calcium). The Department of National Health and Welfare and Atomic Energy of Canada Limited jointly operate a wheat monitoring program. To date measurements have been made in the laboratories of Atomic Energy of Canada Limited. The initial report on this program is in preparation.

(ii) Cereal grains other than wheat—No measurements made.

(h) Salt water fish—No measurements made.

(i) Fresh water fish—No measurements made.

(j) Vegetables—No measurements made.

2. A total body monitoring facility is being constructed by the Department of National Health and Welfare and the laboratory to house this facility will be ready in February. A preliminary period for the installation and calibration of instruments will be necessary before the equipment is ready for operation.

1. (*a*). MILK—Measurement of strontium-90 content in micro micro curies per gram calcium

Station	Sampling Period														
	1959						1960								
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Calgary	21.8	16.6	16.2	15.2	13.5	16.6	15.6	15.1	15.0	14.3	14.8	9.3	9.4	8.2	8.8
Charlottetown	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.
Chicoutimi	20.0	19.6	12.5	15.5	18.6	19.3	16.1	19.5	18.1	18.8	19.3	N.S.	N.S.	13.2	10.4
E. Florenceville	19.6	16.6	12.7	14.2	21.0	N.S.	N.S.	19.0	15.5	16.9	19.9	12.0	12.1	14.0	10.6
Edmonton	12.4	15.5	12.6	14.4	13.2	16.1	16.5	16.6	14.1	15.9	10.3	4.0	10.4	7.8	7.5
Granby	18.5	14.1	15.9	11.1	16.0	15.0	20.2	26.8	19.4	19.3	21.9	11.7	18.3	12.3	10.3
La Durantaye	26.1	14.0	9.9	12.8	19.4	18.9	19.9	19.5	21.7	20.5	19.1	12.2	18.6	11.5	10.2
London	8.9	4.8	3.1	4.9	6.4	7.2	5.1	6.3	7.5	6.9	5.2	4.5	4.8	3.8	3.4
Megantic	27.3	16.1	15.3	16.6	14.8	21.5	20.1	23.1	23.4	24.7	26.2	16.7	17.6	16.7	13.6
Moncton	33.5	18.8	15.7	13.1	19.2	17.0	13.6	11.6	13.0	13.0	10.7	11.0	7.9	12.0	9.6
Ottawa	13.3	6.4	5.7	5.9	8.2	10.4	10.7	10.9	9.8	9.2	7.7	5.3	5.5	3.7	3.8
Saskatoon	14.9	13.6	10.7	11.3	N.S.	13.7	10.1	12.1	13.2	13.3	15.6	6.4	6.5	6.4	5.8
Sussex	24.2	14.5	16.2	13.5	19.0	16.8	18.6	18.6	13.0	14.7	13.8	9.9	11.4	11.6	9.0
Vancouver	23.8	14.9	16.3	18.4	18.0	22.8	17.2	17.6	18.7	14.3	13.4	13.6	11.9	9.7	9.0
Walkerton	5.7	4.9	3.4	5.0	7.6	7.3	5.1	5.6	6.2	5.4	5.8	5.4	4.7	3.4	3.3
Winnipeg	9.5	12.2	10.2	12.2	13.6	13.9	N.S.	N.S.	12.0	12.0	11.5	N.S.	6.7	5.8	6.3
Average	18.6	13.5	11.8	12.3	14.9	15.5	14.5	15.9	14.7	14.6	14.3	9.4	10.4	9.3	8.1

1 (*c*). RAINFALL—Measurement of total fission product beta activity expressed as millicuries deposited per square mile

SAMPLING PERIOD

Station	1959						1960								
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Aklavik	—	—	11.2	2.8	3.3	2.0	1.69	N.S.	4.18	3.52	4.78	2.36	6.8	4.7	1.9
Calgary	—	—	3.6	3.2	3.3	12.8	4.12	2.84	N.S.	12.40	12.70	27.00	7.7	4.1	2.2
Chatham, N.B.	—	—	—	—	—	—	0.07	9.25	6.80	7.02	9.40	15.20	N.S.	11.4	5.5
Coral Harbour	—	21.9	N.S.	6.5	6.6	3.0	3.85	3.92	2.16	3.20	7.50	5.03	10.0	6.7	3.6
Edmonton	—	34.3	N.S.	16.3	2.2	4.3	2.70	3.04	3.44	N.S.	16.10	12.60	12.5	10.7	5.3
Fredericton	—	—	—	—	—	—	N.S.	N.S.	N.S.	N.S.	13.20	12.70	12.6	4.9	2.7
Ft. Churchill	—	—	—	—	—	5.1	4.73	1.35	2.70	6.10	6.78	11.30	8.7	6.8	3.3
Ft. William	—	—	—	—	3.5	3.4	0.68	3.17	4.19	9.50	9.92	12.90	16.0	9.7	2.4
Goose Bay	—	—	—	—	—	—	N.S.	N.S.	N.S.	N.S.	N.S.	12.10	9.7	8.3	6.3
Kapuskasing	—	—	10.0	7.6	5.8	1.0	3.92	1.48	7.43	13.10	13.10	7.05	8.2	7.1	4.4
Montreal	—	—	7.6	9.0	9.4	8.9	5.94	13.00	11.41	14.00	13.90	12.30	10.1	4.4	4.1
Moosonee	—	28.8	10.0	10.6	8.2	2.2	4.12	3.98	6.55	13.90	10.40	7.57	12.2	5.8	5.0
Ottawa	—	10.7	12.0	6.7	5.1	15.1	6.61	7.90	7.29	11.00	17.50	10.60	7.9	2.5	5.7
Regina	—	—	12.1	6.9	33.5	2.7	2.90	21.30	9.52	9.40	11.00	22.80	8.1	7.5	2.0
Resolute	—	4.3	8.4	N.S.	N.S.	N.S.	N.S.	N.S.	N.S.	1.49	12.80	1.19	4.0	2.5	N.S.
Saskatoon	—	—	—	—	—	1.0	3.04	1.01	4.79	6.26	13.20	13.20	4.5	4.8	2.1
Shearwater, N.S.	—	—	—	—	—	—	N.S.	N.S.	N.S.	4.10	10.30	12.10	11.0	5.0	1.3
Torbay	—	14.6	12.8	13.2	9.1	N.S.	11.4	11.88	9.05	3.19	4.57	9.26	4.5	5.3	5.5
Toronto	—	—	10.4	1.1	N.S.	N.S.	N.S.	6.95	3.31	16.50	21.90	15.20	11.4	5.8	3.3
Vancouver	—	—	—	—	8.0	11.7	7.22	7.42	8.78	6.50	13.20	5.65	0.07	7.0	2.1
Whitehorse	—	—	7.5	1.9	5.3	2.3	4.25	N.S.	1.35	4.25	5.41	6.31	5.3	4.9	4.1
Windsor	—	—	6.8	6.7	6.1	3.4	5.40	7.63	3.71	5.22	11.60	15.50	6.3	8.0	2.1
Winnipeg	—	—	3.4	8.3	7.6	6.5	2.02	6.62	5.81	7.30	8.61	13.80	5.8	6.9	4.2
Yellowknife	—	—	5.7	8.5	3.9	1.1	2.02	0.40	1.69	0.86	6.92	3.73	8.9	3.8	1.6
Average	—	19.1	8.7	7.3	7.6	5.1	4.03	6.28	5.48	7.56	11.08	11.14	8.4	6.2	3.7

1 (*d*). AIR—Measurement of total fission product beta activity in daily air filter samples, averaged for month and expressed in disintegrations per minute per cubic meter of air sample.

SAMPLING PERIOD

Station	1959						1960								
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Aklavik	0.90	0.50	0.54	0.25	0.37	0.27	0.28	0.37	0.42	0.50	0.37	0.27	0.22	0.11	0.09
Calgary	—	—	0.11	0.32	0.37	0.32	0.32	0.36	0.54	0.60	0.51	0.49	0.48	0.34	0.23
Chatham N.B.	—	—	—	—	—	—	—	0.23	0.38	0.37	0.33	0.43	0.39	0.29	0.19
Coral Harbour	—	0.76	0.35	0.26	0.27	0.37	0.25	0.33	0.39	0.53	0.33	0.35	0.28	—	0.08
Edmonton	1.79	0.92	0.51	0.34	0.30	0.32	0.28	0.36	0.48	0.55	0.40	0.38	0.41	0.28	0.20
Fredericton	—	—	—	—	—	—	—	—	—	0.26	0.32	0.36	0.30	0.25	0.15
Ft. Churchill	—	—	—	—	—	0.27	0.26	0.48	0.42	0.68	0.35	0.32	0.23	0.14	0.11
Ft. William	—	—	—	—	0.34	0.27	0.27	0.45	0.56	0.40	0.49	0.45	0.37	0.30	0.17
Goose Bay	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Kapuskasing	—	0.65	0.40	0.31	0.34	—	—	0.46	0.49	0.50	0.61	0.52	0.36	0.29	0.15
Montreal	—	—	0.62	0.30	0.30	—	—	0.25	0.37	0.40	0.41	0.57	0.39	0.32	0.19
Moosonee	—	0.58	0.46	0.30	0.26	0.28	0.25	0.42	0.44	0.44	0.42	0.42	0.36	0.22	0.15
Ottawa	2.33	1.52	1.17	0.29	0.34	0.28	0.23	0.25	0.69	0.37	0.54	0.56	0.41	0.35	0.22
Regina	—	1.13	0.55	0.30	0.29	0.26	0.33	0.41	0.44	0.45	0.53	0.46	0.36	0.28	0.18
Resolute	0.75	0.53	0.31	0.22	0.33	0.28	0.22	0.47	0.39	0.50	0.31	0.18	0.26	0.10	0.06
Saskatoon	—	—	—	—	0.25	0.29	0.31	0.43	0.46	0.54	0.54	0.50	0.43	0.29	0.20
Shearwater N.S.	—	—	—	—	—	—	—	—	—	0.36	0.35	0.31	0.30	0.28	0.17
Torbay Nfld.	—	—	—	—	0.31	0.21	0.20	0.20	0.28	0.28	0.24	0.33	0.29	0.19	0.14
Toronto	—	—	0.82	0.40	0.32	—	—	0.31	0.45	0.48	0.44	0.58	0.40	0.35	0.24
Vancouver	—	—	—	0.27	0.27	0.20	0.18	0.35	0.47	0.33	0.23	0.26	0.26	0.13	0.19
Whitehorse	—	—	0.28	0.32	0.22	0.16	0.26	0.50	0.38	0.34	0.38	0.18	0.18	0.19	0.10
Windsor	—	—	0.54	0.35	0.35	0.29	0.31	0.37	0.52	0.57	0.50	0.64	0.45	0.37	0.25
Winnipeg	—	—	0.46	0.33	0.35	0.26	0.34	0.51	0.54	0.40	0.53	0.45	0.41	0.30	0.18
Yellowknife	—	1.04	0.50	0.28	0.33	0.29	0.36	0.49	0.42	0.51	0.46	0.47	0.29	0.19	0.11

Questions

RADIOACTIVE LEVELS ABROAD

Question No. 61—**Mr. Howard:**

1. Since January 1, 1960, has any information been received from other countries regarding the levels of radioactive material in those countries?
2. If so, what are the names of the countries and the levels of radioactive material so found?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1. Yes.

2. The Argentine, Austria, Denmark, England, Finland, Germany, Italy, Japan, the Netherlands, Norway, Sweden, the United States, the Union of Soviet Socialist Republics.

A wide range of radioactive substances originating in radioactive fall-out are measured in these countries in samples of air, rainfall, soil, milk, wheat and food products and human bone collected and analysed at different times. Single copies of the reports are kept on the files of the Department of National Health and Welfare. As there are a great many such reports, they are not reprinted here but are available within the department for study by interested members of parliament.

MR. DACOUGNA—DEPORTATION TO FRENCH GUIANA

Question No. 75—**Mr. Argue:**

1. Did Mr. Dacougna of French Guiana seek entry to Canada, at Montreal, in September, 1960?
2. If so, was he affianced to Miss Louise Bolduc of Coaticook, P.Q.?
3. Was his passport in order?
4. Was he in possession of return transportation to French Guiana via Trans-Canada Air Lines?
5. Was he refused admission to Canada?
6. Was he put in gaol, and, if so, for how long?
7. Was he subsequently deported and, if so, on what grounds?

Answer by: **Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration):**

1. Yes.

2. Yes; by correspondence only. The couple had never met.

3. Yes.

4. Yes.

5. Yes.

6. Mr. Dacougna was held in the custody of the provincial police from 2.40 a.m. to 8.10 a.m. on September 23, 1960, and from 9.05 p.m. on October 6, 1960, to 4.55 a.m. on October 7, 1960. Since there are no separate immigration detention facilities at Montreal airport or in Montreal itself, it was necessary to make use of the local goal facilities for these periods of overnight detention.

7. Yes; the order for deportation was issued under section 5(p) of the Immigration Act.

PROVINCIAL WINTER WORKS PROJECTS

Question No. 90—**Mr. Racine:**

How many winter works projects, in each province, have been accepted by the federal government (a) during 1959-60; (b) since the beginning of the 1960-61 period to date?

Answer by: **Hon. Michael Starr (Minister of Labour):**

Winter works projects accepted by the federal government:

	1959-60	1960-61 (to Jan. 27/61)
British Columbia	406	569
Alberta	373	616
Saskatchewan	392	631
Manitoba	91	219
Ontario	761	1,347
Quebec	336	1,489
New Brunswick	70	156
Nova Scotia	113	90
Prince Edward Island ..	1	13
Newfoundland	48	105
Yukon Territory	2	1
Northwest Territories ..	1	-
Indian Bands	8	51
Totals	2,602	5,287

HOUSE OF COMMONS

Thursday, February 2, 1961

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

MINES, FORESTS AND WATERS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Erik Nielsen (Yukon) presented the first report of the standing committee on mines, forests and waters, and moved that the report be concurred in.

Motion agreed to.

ESTIMATES—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Arthur Smith (Calgary South) presented the first report of the standing committee on estimates and moved that the report be concurred in.

Motion agreed to.

TRADE

GRAIN—ANNOUNCEMENT OF SALE TO CHINA

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I am pleased to announce that the efforts of the government to sell grain to new markets have resulted in one of the largest single sales ever consummated in the commercial field. Agreement with the China Resources Company of Hong Kong has been reached for the sale and shipment to China during the next few months of 40 million bushels of grain. The break-down is as follows: 750,000 long tons of wheat, equivalent to 28 million bushels; 260,000 long tons of barley, representing 12,133,000 bushels.

The grade of wheat will be mostly No. 2 Manitoba northern, which is the predominant grade available in Canada. There will be a limited quantity of No. 3 Manitoba northern. The barley will be No. 1 feed.

The total value of this sale is approximately $60 million. The wheat and barley will be shipped from the Pacific coast ports of Vancouver, New Westminster, Victoria and Prince Rupert.

The Canadian wheat board negotiated the agreement for the Canadian government. The Canadian grain trade, acting as agents of the Canadian wheat board, will be completing delivery and shipment of the individual cargoes, and will undertake the necessary arrangements in connection therewith.

I know that all Canadians will be pleased at the size of the sale. I would like at this time to pay tribute to my predecessor who was in charge of the wheat board before he became Minister of Veterans Affairs (Mr. Churchill). He made the decision for representatives of the Canadian wheat board to go to China in 1958 and again in the fall of 1960. I have carried on with his plans for the expansion of wheat and flour sales to all parts of the world, but I feel that credit should go where credit is due.

The Canadian wheat board, and all others who helped, deserve our appreciation. The government's policy of accelerated wheat sales is illustrated by the fact that Canada's share of the commercial wheat markets of the world has increased from 30 per cent to 35 per cent.

Mr. Speaker: Order. I hope the minister will permit me to interrupt and remind him that the privilege of the floor to make announcements is limited to factual statements. I do so because I have difficulty from time to time with the comment which follows such statements, which I propose to keep within the same narrow bounds. I just feel that in embarking on an explanation of government policy he ought to have that in mind.

Mr. Hamilton (Qu'Appelle): Thank you very much, Mr. Speaker, for your advice. I just wanted to keep the record straight.

I am informed that when all commitments are considered the Pacific coast ports will be utilized to full grain capacity until next August, and the heavy movement of western grain during the next few months should have a beneficial result on the Canadian economy generally and more particularly to the workers handling grain, and to the farmers.

Hon. Paul Martin (Essex East): Of course all members of the house join with the minister in the satisfaction which undoubtedly must come in the realization of this arrangement with the Chinese mainland, an arrangement which will be of great value to the income position of many farmers in Canada. I am sure the minister will realize that the drop in farm income last year—

Some hon. Members: Order.

Mr. Martin (Essex East): In any event, this announcement will be very well received by the people of Canada.

Sale of Grain to China

Mr. Hazen Argue (Assiniboia): The announcement made by the Minister of Agriculture is welcome and important. I trust it is merely a prelude to a continuing expansion of sales of Canadian grain in markets where we have been selling relatively small quantities in recent years. If the minister can do so later on the orders of the day, I should like him to give the house some information as to the price and terms involved, because I think such information is necessary if we are to judge the precise value of this very important transaction.

I express the hope that the minister and the government may raise their sights and attempt to better the target for wheat sales set by the minister at 300 million bushels for the present year. I think it is necessary to get sales above that figure, and if the government is able to conclude further transactions such as the one now concluded I think an improvement in the target should be possible.

This is an announcement of importance. I express the hope that the government will explore the possibility of large sales of wheat to India, where, I suggest, a very large market for Canadian grain is available if the government takes the necessary initiative. In conclusion I would say this is an indication that in an economic sense the government recognizes the existence of the government of China. We suggest that in logic they should now extend this recognition—

Some hon. Members: Order.

[*Later:*]

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): I should like to address a question to the Minister of Agriculture on behalf of the prairie grain growers. First I want to thank the minister for his announcement of additional grain sales worth $60 million. That is very good news for all Canada. I should like to ask the minister whether the shipments from the Pacific coast ports will also include Saskatchewan and Manitoba wheat as well as wheat within the Pacific shipping area, thus helping wheat delivery quotas in all parts of the three prairie provinces.

Hon. Alvin Hamilton (Minister of Agriculture): I do not think there is going to be any change in the wheat board's policy of taking wheat from the areas closest to the ports. I would think most of this particular wheat will some from Alberta, reaching further, I trust, into Saskatchewan.

[Mr. Martin (Essex East).]

BUSINESS OF THE HOUSE

INCOME TAX ACT—NOTICE OF AMENDMENTS

Hon. Donald M. Fleming (Minister of Finance): As the leader of the house has announced that in committee of ways and means today or tomorrow we shall be coming to the resolution respecting amendments to the Income Tax Act, may I now give notice of certain amendments which will be moved to the resolution and ask for these to be incorporated in *Votes and Proceedings* in case we do not come to all of them today.

I have sent mimeographed copies to hon. members opposite and we shall have, I think, an ample supply for use in the house today, but it may be a convenience for hon. members to have on record in *Votes and Proceedings* such of the amendments as may not be reached in the house today.

POWER

COLUMBIA RIVER—LETTER TO B.C. PREMIER

Hon. Donald M. Fleming (Minister of Finance): In view of the interest indicated by hon. members in this subject may I read a letter which I wrote two days ago to Premier Bennett of British Columbia concerning financial arrangements respecting the development of the Columbia river system:

Dear Premier Bennett:

I acknowledge receipt of your letter dated January 13 concerning the subject of financial arrangements for development of the Columbia river.

I was very much surprised that you doubt that the Canadian share of downstream power can be delivered to the Vancouver area at a cost of less than 4 mills. The negotiations between the federal and British Columbia governments have been proceeding for nearly two years, and I am informed that this is the first time that you or the representatives of your government have attacked this estimate.

The treaty with the United States, as you are aware, has now been signed by the Prime Minister of Canada and the President of the United States of America. The negotiations and the signing of the treaty were both carried through with the full knowledge and approval of your government at every stage. The only occasion on which doubt ever arose as to the readiness of British Columbia to carry out the Columbia river treaty as negotiated was on the occasion of the reference made by you last December to the British Columbia energy board of certain questions involving a comparison of engineering and economic aspects of the Columbia and Peace river projects. At the meeting of the policy liaison committee early in January our representatives expressed their concern that this might involve doubt and delay on the part of British Columbia in proceeding with the Columbia river development. Your representatives on the committee assured us that this was not the case, and that on the contrary the reference was designed to hasten the taking of effective action by British Columbia under the proposed treaty. On the basis of these assurances, the treaty negotiations

were concluded and the treaty was signed, as above stated, with the full knowledge and approval of your government.

In the light of these circumstances, for you to write as you now have, expressing doubts as to the feasibility of the Columbia river development "from engineering and financial standpoints", is a most extraordinary development, and must necessarily raise again our doubts as to British Columbia's intentions which we had thought were set at rest by the assurances of the British Columbia members of the policy liaison committee. I do hope that we will not now be met by delaying action on the part of British Columbia.

I am ready and prepared to discuss the financial aspects of the project with you, as we had previously arranged.

I am puzzled, when confronted with the new position which you are taking, which would appear to make our negotiations rather hypothetical, since you now seem to question the economic feasibility of the entire enterprise. I understood that we were aiming to deal with the question of the financing of the project as between the federal and provincial governments on the understanding that both governments accepted the fact that the project is entirely economic. The federal government has no doubt whatever that the project is entirely economic and should be proceeded with and without delay.

We have already submitted to you a generous proposal for federal financial participation in the cost of the undertaking. I shall be pleased to come to Victoria at an early date to discuss these matters on the basis that your government seriously intends to support the project, and on this basis we can, I am sure, have fruitful talks in regard to the means of achieving the common purpose of the two governments.

I would also suggest that the Canada-British Columbia policy liaison committee might plan to hold its next meeting beginning on the same date as our meeting in order to assist in the early conclusion of all the necessary arrangements for the implementation of the treaty.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, we on this side of the house thank the minister for having placed on *Hansard* the letter which he has addressed to the premier of British Columbia. We hope he will also find it possible to put on *Hansard* the letter which he has referred to. The tenor and language of the letter indicate that there is not too much harmony in so far as the government of Canada and the government of British Columbia are concerned. As the house knows, a project of this great importance is one where there must of necessity be understanding among the four governments involved. We hope that harmony will be forthcoming in due course.

With respect to more detailed comments on the letter, they will be given to the house at the proper time.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, speaking on behalf of this group we appreciate the minister informing the house of this latest letter to Premier Bennett. I must say that this letter and recent developments illustrate, in view of past experience, how completely naive the government of Canada has been in its negotiations with the premier of British Columbia.

Mr. Speaker: Order. I take it that the letter was produced for the information of the house and not to introduce a debate on the subject matter of the letter. I hope the hon. member will reserve his comments of an argumentative or debating kind until the matter comes before the house at the appropriate time for that purpose. In the meantime comment is a matter of the recognition of the statement and a reservation of differences, if there are any, rather than an exposition of them.

Mr. Herridge: I accept your admonition, Mr. Speaker, but continue to think what I intended to say.

[*Later:*]

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Finance and ask him whether he will table the letter of the premier of British Columbia to which he referred in the letter which he put on *Hansard*? I wonder whether that letter could not be put on *Hansard* in the same manner as his own.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I have no objection to the tabling of the letter dated January 13, which I received from Premier Bennett. I should say that I have not asked his permission to table the letter, but I think I am justified in doing so in view of the fact that he gave a statement to the press, I think shortly after writing this letter, as to its contents. I think on that basis I am quite justified in supplying a copy of Premier Bennett's letter to me of January 13 for the information of the house, and in view of the fact that the letter I read today is in reply to this letter from Premier Bennett.

Mr. Chevrier: I thank the minister, but I wonder whether we could have it in *Hansard* alongside the letter he has tabled.

Mr. Fleming (Eglinton): Mr. Speaker, I am perfectly in agreement with that, if that will meet the convenience of hon. members.

Mr. Speaker: I am not sure that the first letter presented today by the Minister of Finance was to go in *Hansard*.

Some hon. Members: It was read.

Mr. Speaker: Does the house give its consent that the further letter be printed following the letter which has been put on the record?

Some hon. Members: Agreed.

Columbia River Development

[*Editor's note: the letter referred to is as follows:*]

OFFICE OF THE PREMIER
Province of British Columbia

Victoria, January 13, 1961

The Honourable Donald M. Fleming,
Minister of Finance,
Ottawa, Canada.

My dear Mr. Fleming:

Further to our earlier correspondence concerning financial arrangements for development of the Columbia river, and specifically with regard to your letter of December 30, 1960, I regret that it has not been possible as yet for us to meet. I believe, and am sure you agree, that since negotiations leading to a treaty between the governments of Canada and the United States appear now to have progressed to the signing stage, it would be in the best interests of the finance departments of both Canada and British Columbia to discuss the necessary arrangements as quickly as possible.

When it is convenient for you to visit Victoria, I should like to suggest that you would find it advantageous to bring with you technical financial officials who will be able to undertake immediate detailed discussions with British Columbia technical officials on the policy matters referred to them by us.

Like the federal government, British Columbia is anxious that the Columbia development proceed at the earliest possible moment—assuming, of course, that it is proved feasible from engineering and financial standpoints. In that connection, I must tell you that British Columbia entertains serious doubts that power returned from the United States as the Canadian share of downstream benefits can in fact, be delivered to the Vancouver area at the cost of 3.77 mills which has been quoted so often by your colleagues. For that reason, the British Columbia energy board has been asked to investigate this question in association with independent engineering counsel of international repute, and an interim report will be received by March 1.

If the cost of 3.77 mills quoted so frequently by the Honourable E. D. Fulton is, in fact, accurate, then, of course, no difficulty in financing the project should present itself. Until the cost figure is verified through study by the British Columbia energy board, however, the government of British Columbia would of course require the guarantee of the Canadian government that the cost is firm and accurate before it would add its own guarantee to any financial arrangements for the development.

I look forward to meeting you for full and cordial discussion of these arrangements at the earliest possible opportunity.

Yours faithfully,

W. A. C. BENNETT,
Premier and Minister of Finance.

INDIAN AFFAIRS

APPOINTMENT OF COMMONS MEMBERS OF SPECIAL JOINT COMMITTEE

Mr. John Pallett (Peel) moved:

That the 24 members of the House of Commons to act on behalf of the house as members of the joint committee on Indian affairs be as follows namely: Miss LaMarsh and Messrs. Badanai, Baldwin, Barrington, Cadieu, Charlton, Fairfield, Grenier, Gundlock, Hardie, Henderson, Howard, Korchinski, Leduc, MacRae, Martel, Muir (Cape Breton North and Victoria), McQuillan, Pickersgill, Robinson, Small, Stefanson, Thomas and Wratten, and that a message be sent to the Senate to inform Their Honours that the foregoing members have been appointed to act on behalf of the commons on the said joint committee of both houses.

Motion agreed to.

OIL

U.S. ATTITUDE TOWARD ANNOUNCED CANADIAN POLICY

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Trade and Commerce. Will the minister tell the house whether the United States ministers whom he met in Washington have concurred in the national policy on oil which he announced yesterday; and, if not, what precisely was the position they took?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, the Minister of Finance and I went to Washington a week ago. We advised the members of the United States government of the oil policy which the Canadian government intended to proclaim. We did not ask their concurrence in it; we advised them of it and we discussed the implications of it, how it would work and matters of that kind.

Mr. Chevrier: May I ask what their reaction was?

Mr. Hees: I think the reaction was very favourable, Mr. Speaker.

[*Later:*]

Mr. Hees: Mr. Speaker, now that calm has returned to the house I would like to clear up any possible misunderstanding in the answer I gave to the hon. member for Laurier a short time ago regarding my assessment of the reaction of the United States government representatives, when we saw them a week ago, regarding our oil policy. As I pointed out, we did not ask for or receive their concurrence or rejection of our oil policy. They did not agree with it or disagree with it, and neither did we ask them to do so. My answer to the hon. member was in reference to the very friendly atmosphere in which we were received by the United States ministers in Washington.

PENSIONS

INQUIRY AS TO ESTABLISHMENT OF PORTABLE PLAN

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister arising out of the strong emphasis

laid by the Canadian Labour Congress in its brief to the government on a social security system and the desirability of a portable pension plan. Can the Prime Minister inform the house what consideration is being given by the government to the introduction of a social security plan which would include portable pensions?

Right Hon. J. G. Diefenbaker (Prime Minister): As the hon. gentleman knows, a question on government policy is not answered in the house at a time like this. Any consideration being given thereto, whether favourable or unfavourable, will be brought to the attention of the house in due course.

Mr. Argue: I wonder if I might ask a supplementary question. Would the Prime Minister care to go so far as to say whether it is the intention of the government to introduce legislation in this field during this session?

Mr. Diefenbaker: If the hon. gentleman had followed my earlier answer he would have had an answer to this question.

LABOUR CONDITIONS

UNEMPLOYMENT—REMARKS OF MINISTER TO LABOUR REPRESENTATIVES

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to direct a question to the Minister of Labour. Since the minister, in his lecture this morning to the representatives of the Canadian Labour Congress, saw fit to shift the responsibility for unemployment from the government to labour and management, will he try to reconcile this strange new hypothesis with his party's—

Some hon. Members: Order.

Mr. Speaker: May I intervene in the hon. member's question to say that in my view it is not a question seeking information. In the first instance he makes a statement and then proceeds to make an assumption, which is contrary to the proper practice at this stage of the proceedings.

Mr. Martin (Essex East): With great confidence, Mr. Speaker, I submit that this question is perfectly proper.

Some hon. Members: Order.

Mr. Martin (Essex East): This morning the Minister of Labour—

Some hon. Members: Order.

Mr. Speaker: I will hear the hon. member, but I should like to know just what factual information he is requesting, and I think he should give that now because the absence of it was the basis for my intervention.

Mr. Martin (Essex East): I should like to ask this question. This morning the Minister of Labour, in talking to the leaders of labour, announced a change of policy, and I am now asking the Minister of Labour what I believe to be a proper question. My question is, why did the government make this announcement of policy contrary to the announcements and the assurances they gave to the people of Canada regarding full employment when they sought the support of the people in the last federal election?

Mr. Speaker: As I understand the question the hon. member is seeking to put, he is making the assumption or the statement that a change of policy was announced and is asking why it was announced at that time?

Mr. Martin (Essex East): That is right.

Mr. Speaker: Perhaps that might be asserted as a question.

Mr. Martin (Essex East): This is the question which I was not permitted to ask.

Hon. Michael Starr (Minister of Labour): I rise on a question of privilege, Mr. Speaker. The hon. member has made the assertion that I gave a lecture to labour today, and that I put forward a new philosophy or a new policy. It is utterances of this type by the hon. member for Essex East that have been detrimental to the labour movement in this country.

Mr. Speaker: The Minister of Labour, I think, is on sound ground in rising and making his assertion as a point of order because, in my opinion, it was improper for the hon. member for Essex East to impart the information or to make the assertion he did about the minister this morning as a question, since it is purely an interpretation on his part of what took place.

Mr. Starr: And a complete falsification of that statement.

Mr. Speaker: That is the part of the question that I found to be out of order. The hon. member for Essex East asserts that he is entitled to ask the question which he proposed and which, as I understood it, was why the government announced a change of policy this morning. The question makes an assumption, but I think perhaps it deserves an answer unless some member wishes to assert that it is not proper. If that is the case, I think this is important enough to hear him. Otherwise I would permit that part of the question to go forward.

Inquiries of the Ministry

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I submit there is a well understood formula by which this kind of question can be raised and which avoids an assertion, which is the improper thing. My hon. friend is seeking to make an assertion—an inaccurate assertion—for the purpose of getting it on the record on *Hansard* and heard in the galleries. There is a proper method to follow which, of course, he prefers not to follow, and that is the method by which one seeks to get information instead of making assertions. The hon. member, who has been in the house longer than I have, appears to have forgotten more than I have.

Mr. Martin (Essex East): No lecture from the hon gentleman.

Mr. Fulton: When we were on that side we tried to observe the rules of the house, and I would suggest—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I think the minister is going afield. Let me put it this way. As I understand the question, the hon. member for Essex East is in effect asking whether the statement the Minister of Labour made this morning was a change of policy, and on that basis I do not think I can exclude it.

Mr. Martin (Essex East): May I ask my question now?

Some hon. Members: Order.

Mr. Starr: I do not know whether the hon. member wants an answer.

Mr. Speaker: I understood that the hon. member's question was before the house.

Mr. Chevrier: He was not allowed to finish it. The Minister of National Revenue shouted him down.

Mr. Speaker: I will certainly give the hon. member for Essex East the opportunity to put that part of his question which I have accepted, but not to deal with the rest of it.

Mr. Martin (Essex East): I must thank you, Mr. Speaker, for allowing me to put a question which I know is important and which, regrettably, hon. members sitting opposite have shown a desire to prevent me from asking—

An hon. Member: Put your question.

Mr. Martin (Essex East): This attitude of the people.

Mr. Speaker: I must ask for the co-operation of the house. I have permitted the hon. member to restate his question, but I would ask him to restate it without embellishment.

[Mr. Speaker.]

Mr. Martin (Essex East): The Prime Minister is apparently not satisfied, so I will give him the floor.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker—

Some hon. Members: Order.

Mr. Diefenbaker: Mr. Speaker, you have made a ruling twice, but the hon. member for Essex East appears to think that because he clothes his question with pomposity and ponderosity he therefore becomes—

Some hon. Members: Order order.

Mr. Speaker: If the Prime Minister is rising on a point of order or on a question of privilege I shall be glad to hear him, but I have permitted the hon. member to rephrase his question.

Mr. Diefenbaker: I am just rising to ask that your ruling be upheld. That is what I rose for, because the hon. gentleman is flagrantly disregarding your rulings.

Mr. Chevrier: I am pleased to hear the Prime Minister say that he rose to have your ruling upheld, Mr. Speaker, but I wish to bring to your attention the fact that we on this side of the house cannot ask questions because of the interruptions which are being made from both in front of us and the rear of us. It is impossible to do so.

Mr. Ricard: The hon. member is always against the ruling. He knows that.

Mr. Chevrier: I ask for permission—

Mr. Speaker: Order. We should not permit a debate on the Speaker's ruling and I do not think hon. members propose to follow that course. I indicated what part of the question of the hon. member for Essex East I considered might properly be asked and expressed it in my own phraseology. If the hon. member wishes to put it in his own words, and if he will limit himself to the question, I think we could proceed and that the house would give him a hearing. Unfortunately the hon. member for Essex East has introduced extraneous matter each time he has risen, and that is what has caused the difficulty.

Mr. Speakman: I rise on a question of privilege that affects all members of this house. The hon. member for Laurier has made a statement implying that the backbenchers on the government side will not permit questions. I think that is a most unfair and unkind implication, and that he should be asked to withdraw it.

Mr. Chevrier: I am glad that the hon. member has raised the question of privilege. Not only do I not withdraw the insinuation; I repeat it. I say that every time we raise a

question or ask to be heard on a question of privilege, attempts are made to shout us down.

Mr. Speaker: Order. I cannot accept the question of privilege. It is not proper now to comment on the conduct of the house unless the hon. member rises to complain of it at the time it occurs.

Mr. Chevrier: Mr. Speaker, I desire to rise in order to complain about the situation now.

Mr. Speaker: I think the situation is under control, if the hon. member would permit the hon. member for Essex East to phrase his question.

Mr. Martin (Essex East): I just want to say this, Mr. Speaker, in answer to the Prime Minister who was allowed to make a statement.

Some hon. Members: Question.

Mr. Speaker: Order. The Prime Minister and the hon. member for Essex East engaged in some discussion which was quite aside from the purpose for which the hon. member is now taking the floor.

Mr. Martin (Essex East): I certainly do not intend to allow the Prime Minister to lecture me. I should like to ask the Minister of Labour how he reconciles his statement this morning, when he shifted the responsibility for unemployment on to labour and management from the government, with the speeches which he and the government members and particularly the Prime Minister made to the people of Canada during the last election.

Mr. Starr: In reply to the memorandum which was presented by the Canadian Labour Congress this morning I set out the measures that have been taken by this government and passed by this parliament in order to deal with the economic situation in the form of legislation; I set out as well the measures that were included in the baby budget. I pointed to these measures as actions by the government to deal with the situation. I also pointed out that it was not possible for the federal government alone to alleviate or bring about a solution to the problem of unemployment, but that it was necessary to have the co-operation of industry and labour doing their part and their share in the production of materials in the manufacturing industry in this country so that it may be competitive in the domestic field and in the export field as well.

Those were my remarks or my pleas to management and labour. I have said these things to management as well on many occasions. I hope they can get together in order to carry on the manufacturing of products in this country so that the whole economy and all Canadians can benefit as a result and more jobs may be provided for people in this country. Any remarks by the hon. member for Essex East in the same form as those he has put forward today are not only a disservice to Canada but a disservice to—

Mr. Chevrier: That is not what you said in the election.

Mr. Speaker: Order. The Minister of Labour, if I may take the liberty of reminding him of this fact, went beyond the appropriate answer in making the reference he did to the hon. member for Essex East. I feel that he might consider modifying his statement that the hon. member for Essex East, as I understood it, in asking his question was doing a disservice to Canada.

Mr. Hees: Mr. Speaker, may I correct an answer—

Mr. Martin (Essex East): Just a minute. You made a ruling, Mr. Speaker.

Mr. Speaker: I know the Minister of Labour would not want to go beyond the proper conduct in debate. It seemed to me that in concluding his remarks by the statement that the conduct of the hon. member for Essex East was a disservice to Canada, he went beyond that point.

Mr. Starr: I quite agree with you, Mr. Speaker. I had no intention of making any such remark. However, in view of the remarks and the assertions made by the hon. member, I had no alternative.

Mr. Martin (Essex East): Mr. Speaker, you asked the Minister of Labour to withdraw the words.

Some hon. Members: No.

Mr. Martin (Essex East): Hon. gentlemen opposite would not let us finish, and we are entitled to point out that fact. As the hon. member for Laurier said, whenever we put a question they shout us down or try to do so. Well, they are not going to shout me down.

Mr. Speaker: I think hon. members will appreciate that this contretemps, which seems to be developing out of all proportion to its importance, will best be disposed of if they will relax and listen to the question of privilege to which the hon. member for Essex East is speaking; and I would ask him to confine his remarks to that matter.

Mr. Martin (Essex East): Thank you, Mr. Speaker. You asked the Minister of Labour to amend his remarks in which he said in effect that I had rendered a disservice to my country because I raised this question today.

Since the Minister of Labour does not wish to accede to your ruling, Mr. Speaker, I am simply going to say that it is not a disservice to my country to point out the serious unemployment condition existing in this country. It is not a disservice to my country to point out that the Minister of Labour—

Mr. Speaker: Order.

Mr. Starr: Mr. Speaker, I would be prepared to withdraw my remark provided the hon. member for Essex East would withdraw his assertion about a change of policy in the phraseology he used in putting forward the question. As soon as he does that I will withdraw my remarks with regard to him.

Mr. Speaker: I trust that both hon. members will be satisfied with that solution.

Mr. Chevrier: Speaking on the point of order, if I may—

Mr. Speaker: Order. Before I recognize another member, may I say that I trust that the matter may be concluded on that apparently amicable suggestion. Is the hon. member for Essex East satisfied to allow the matter to rest there?

Mr. Martin (Essex East): I am not satisfied with the condition, but if the minister does not wish to observe your ruling, Mr. Speaker, I am satisfied to let him be judged by the people of Canada.

Mr. Starr: Mr. Speaker, I have made it very clear that I am prepared to withdraw my remark provided the hon. member for Essex East withdraws his question on the basis on which he put it.

Mr. Speaker: Order. In order to dispose of this matter the Minister of Labour has been kind enough to go as far as to say he would withdraw the words which in my view were not appropriate to the occasion.

I have indicated that the question which was asked originally was not in accordance with our practice and should not have been asked. I also indicate, for the benefit of the Minister of Labour, that when the hon. member for Essex East rephrased his question he took advantage of the opportunity to put it back in the form of asking for a reconciliation of policies, which really was an argumentative question.

On that basis, if the Minister of Labour will go as far as I am asking him to go, I suggest that the matter might well be closed. I see that the minister agrees to that.

Mr. Pickersgill: Mr. Speaker, I wonder if I could ask a supplementary question of the minister?

[Mr. Martin (Essex East).]

Mr. Speaker: I am sorry; I cannot see the hon. member on a question supplementary to a question which has taken so much time of the house.

[*Later:*]

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the Minister of Labour whether in inviting the co-operation of management and labour before the Canadian Labour Congress he was implying that such co-operation does not now exist?

Mr. Starr: I was speaking about the co-operation of management and labour in order to bring about the type of production efficiency and quality of goods which will be competitive in domestic and export markets; probably a more accentuated co-operation than there has been in the past.

REPORTED APPOINTMENT OF ROYAL COMMISSION ON RAILWAY WAGES

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I direct a question to the Prime Minister. Would the Prime Minister care to comment on a story in today's Toronto *Telegram* that the government intends to appoint a one man royal commission to establish railway wages in the hope of avoiding a national railway strike?

Mr. Speaker: Order. The hon. member is asking for verification of a newspaper report, which also involves a declaration of policy, I think he will agree with me that that is not an appropriate question for the orders of the day.

Mr. Martin (Essex East): With great respect, Mr. Speaker, this is surely a ruling that is not in conformity with our practices. Here is a newspaper which makes a statement on government policy. I am asking the Prime Minister whether that is a correct statement of government policy. If the Prime Minister wishes to say that he does not propose to give an answer, or that government policy will be announced in due course, then very well; but surely I am entitled to ask whether this reported statement is in conformity with government policy.

Mr. Hazen Argue (Assiniboia): On the point of order, I can understand, Mr. Speaker, that after the proceedings in this house so far today you would be recluctant to give permission to the hon. member for Essex East to do something that—

Mr. Martin (Essex East): You have just sat here saying and doing nothing while we have been fighting for labour.

Mr. Argue: That is not true. Mr. Speaker, that is the very best example I could give of the reason Your Honour may be a little reluctant to let the hon. member for Essex East ask a question even if it is in order. On the point of order—

An hon. Member: There is no point of order.

Mr. Argue: I think the hon. member for Essex East is correct in his assertion that when a newspaper makes a disclosure such as this it is in order to ask the Prime Minister to comment on it. The right hon. gentleman could comment by denying it, confirming it or refusing to say anything about it.

Mr. Speaker: After hearing argument I am still of the same opinion.

Hon. Lionel Chevrier (Laurier): Then I should like to ask the Prime Minister if it is a fact that the government intends to appoint a royal commission for the purpose indicated by my hon. friend from Essex East.

Right Hon. J. G. Diefenbaker (Prime Minister): I am glad that after all this time an hon. gentleman has finally been able to ask a question that is proper to be asked. May I say this. When and if any such decision is made it will be announced in the house in the proper course.

What has taken place is that I have written to Mr. Hall, representing the various unions, and also to the railway companies asking them to reconvene and give consideration to those things which separate them to the end—and I expressed this hope—that they might be able by a continuation of discussion to arrive at a settlement of the differences between them.

Mr. Chevrier: May I ask a supplementary question. Is it not a fact that the Toronto *Telegram* should be regarded as an official organ of the government?

Mr. Speaker: Order. If the hon. member wishes to verify that, he will have to do it otherwise than by making it a matter of government responsibility.

SPRINGHILL, N.S.—IMPLEMENTATION OF WINTER WORKS PROJECTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Labour. Has the minister received a communication from Mrs. Lillian Henderson, president of the association of miners' wives of Springhill, Nova Scotia, complaining that Springhill has been sidetracked as regards winter works and other projects to the point where some 600 men are unemployed? Could the minister report to the house what success the government has had in its endeavour to bring much needed works projects to the disaster town of Springhill?

Hon. Michael Starr (Minister of Labour): No such telegram has yet been brought to my attention today. I have been rather busy, of course. I will certainly look to see whether there is such a telegram on my desk. In any event, as far as winter works are concerned that is a matter to be undertaken by the municipalities through the provinces, and when these projects are approved the federal government pays 50 per cent of the total payroll costs.

Mr. Argue: If the minister does not have this information, I will understand. Is the minister in a position to give us any information as to what success the government has had in any projects which will bring employment to this disaster town?

Mr. Starr: I will have to check with my colleagues in the various departments to see what projects have been undertaken. If the hon. member wants detailed information, I suggest that he put his question on the order paper and he will get it.

Mr. Argue: On that point, Mr. Speaker, this is not a question of information but of action by the government.

Mr. Speaker: The hon. member is asking for specific information. Perhaps the order paper would be better if he has not given notice of his question.

UNEMPLOYMENT INSURANCE

PAYMENT DURING IDLE PERIODS DUE TO WORK SHARING

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I think the time has arrived for a question from the constructive section of the opposition.

In view of the fact that in agreement with Consolidated Mining and Smelting Company in 1954 the mine, mill and smelter workers union initiated proposals to prevent lay-offs that would require an amendment to the Unemployment Insurance Act, and in view of the fact that those proposals have in effect recently been endorsed by Mr. Walter P. Reuther in his proposals to the automobile manufacturers association, I would like to ask the minister the following question.

In view of the proposed amendments to the Unemployment Insurance Act, would the government give consideration to amending the act to provide for the payment of unemployment insurance benefits for the fifth week,

where agreements are reached between labour and management to share the work on the basis of four weeks on and the fifth week off, in order to prevent lay-offs in Canada?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I thank the hon. member for his interest in this matter, but it is now being carried out under the present act.

EXTERNAL AFFAIRS

INVITATION TO U.K. PRIME MINISTER TO VISIT OTTAWA

On the orders of the day:

Mr. O. H. Phillips (Prince): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister. In view of Prime Minister Macmillan's proposed visit to Washington for talks with President Kennedy, would the Prime Minister consider extending Mr. Macmillan an invitation to visit Ottawa?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the course that has been followed generally is that whenever the right hon. prime minister of the United Kingdom has visited the president of the United States with a view to having consultations and discussions with him, he has almost invariably visited Canada either before or after the meeting with the president.

I know all Canadians would welcome his doing so on this occasion. I believe it would be helpful if he would visit Canada. In his discussions with the President of the United States he then would be in a position, in discussing international matters, to have the information and knowledge which he will have secured at the prime ministers' conference as to the attitude of the various commonwealth members, without in any way representing them or their viewpoint.

On the other hand, I think it would be beneficial to the prime ministers' conference if it were possible for me to consult with the President of the United States before the conference of commonwealth prime ministers, such consultations to be in an informal manner, to the end that the views of the United States might be available to the members of the commonwealth as we meet together to discuss not only commonwealth but international affairs.

In answer to the hon. gentleman I would say that Mr. Macmillan would be most welcome if he could arrange to call at Ottawa and discuss the matters that he will have considered with the President of the United States generally, and in regard to the international situation.

Hon. Paul Martin (Essex East): Mr. Speaker, I have a supplementary question. Is it clear from what the Prime Minister has said that he hopes to see the President of the United States, but that is not yet a certainty, before the commonwealth prime ministers' conference?

Mr. Diefenbaker: Mr. Speaker, what I tried to place before the house was that I thought it would be beneficial; but whether it is feasible, having regard to all the circumstances connected with the transition from the former administration to the present, I do not know.

(Translation):

CANADIAN NATIONAL RAILWAYS

REPORTED INTENTION TO PURCHASE CANADA AND GULF TERMINAL COMPANY

On the orders of the day:

Mr. Maurice Bourget (Levis): Mr. Speaker, I should like to address a question to the Minister of Transport. Could he inform the house whether the C.N.R. intends to buy the Canada and Gulf Terminal Railway?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am sorry I cannot answer that question just now, but I shall pass it on to the management of the Canadian National Railways.

(Text):

FINANCE

ONTARIO HYDRO—INQUIRY AS TO FEDERAL TAX

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I would like to submit a question to the Minister of Finance. Has the minister received any official protest from the Ontario energy resources minister, Robert Macaulay, regarding the federal taxes levied on Ontario hydro?

Hon. Donald M. Fleming (Minister of Finance): No, Mr. Speaker. In any event, I do not know that there could be any protest on this subject, because the federal government does not collect any taxes from the Ontario Hydro Electric Power Commission.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to ask the minister, since Mr. Macaulay has protested the tax on hydro power exported to the United States, whether one can consider that a tax upon hydro.

Mr. Fleming (Eglinton): Mr. Speaker, I am not acquainted with any protest which Mr. Macaulay might have made. I was asked if there was any record of having received any official protest from Mr. Macaulay, and my answer is in the negative.

OTTAWA—REQUEST FOR ASSISTANCE TO TRANSPORTATION COMMISSION

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to direct a question to the Minister of Finance and ask him whether the city of Ottawa has approached the government for a subsidy or any other form of financial assistance for the Ottawa transportation commission as an alternative to raising fares?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am not aware of any such approach. Certainly none has been made to me.

TRADE

CUBA—ALLEGED SCREENING BY JOINT COMMITTEE

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to address a question to the Minister of Trade and Commerce. The question is based on an allegation in a report in the Montreal *Star* by a Montreal exporter that all Cuban trade including that with Canada is screened by a joint Russian-Cuban purchasing committee in Havana before being approved. Is the minister able to advise the house whether such a committee exists?

Hon. George H. Hees (Minister of Trade and Commerce): This is the first I have heard about it, Mr. Speaker.

POST OFFICE DEPARTMENT

MANUFACTURE OF MAIL BOXES AND KEYS IN PENITENTIARY

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I direct a question to the Postmaster General. In view of what happened yesterday, that is, mail box collection by bandits, will the Postmaster General inform the house whether mail boxes are still being repaired by prisoners in Kingston penitentiary and elsewhere?

Hon. W. M. Hamilton (Postmaster General): I presume the hon. member is referring to a sensational story which appeared on the front page of an Ottawa newspaper yesterday, which was completely inaccurate and a fine piece of fictional writing in so far as the first part of the story was concerned; the second part was a rehash of facts which appeared in the same newspaper last week. Having said this, I would remind the hon. member that I will make a statement, as I indicated to the house yesterday, as soon as I have the necessary information.

Mr. Denis: Does the Postmaster General deny that four persons having master keys have been arrested?

Mr. Hamilton (Notre Dame de Grace): That was the story which appeared a week ago, and I referred to that when answering the question put to me. My reference to yesterday's story and the fictional part thereof concerned the statement that this situation was continuing and growing more serious. That is completely untrue and false. As far as I can see, the newspaper was just searching for a headline.

THE CENSUS

REQUEST FOR HIRING OF QUALIFIED UNEMPLOYED

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Trade and Commerce. In making appointments in connection with the taking of the census, will the government give priority to unemployed persons, providing they have the necessary qualifications, rather than to party hopefuls?

Hon. George H. Hees (Minister of Trade and Commerce): In appointing those who will take the census the government bears in mind a great many factors all designed to make sure that the very best and most capable people should carry out this work.

Mr. Garland: I wonder whether the minister would mind answering my question.

Mr. Hees: I have answered it.

Mr. Speaker: The latter part of the question was not one appropriate to be answered, if I may say so.

IMMIGRATION

RADIO AND TELEVISION TECHNICIANS—REPORTED ADVERTISING IN U.K.

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether the Minister of Citizenship and Immigration has seen a report which appeared in the press yesterday to the effect that Canadian firms were advertising in the United Kingdom for radio and television technicians, and whether it is the practice of her department to encourage the immigration to Canada at the present time of this category of workers.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I do not know what the situation is concerning this particular matter. I did see the article, and I have asked for a report.

Inquiries of the Ministry

COAL

STATEMENT AS TO PROMOTION OF USE BY ONTARIO HYDRO

On the orders of the day:

Hon. Paul Comtois (Minister of Mines and Technical Surveys): Mr. Speaker, yesterday the hon. member for Port Arthur asked me whether the dominion coal board or my department had played any part in assisting to develop a market for Cape Breton coal in the plants of Ontario hydro.

The dominion coal board have been, and remain, fully aware of all the circumstances connected with this proposed supply. The Ontario hydro officials have been most co-operative and have given the board full information on any points raised.

The Ontario hydro have a very large stockpile of coal and are consuming comparatively little coal at present. It is not known yet whether they will purchase coal this year, but if so the quantity will probably not be large. If they do invite tenders to supply, I am sure the Canadian mines will be given the opportunity to bid. At that time the problem of the cost differential will be given most sympathetic attention by the board in the light of the orders in council providing assistance.

INQUIRY FOR RETURN

FEDERAL PAYMENTS TO SASKATCHEWAN, 1960

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Finance to inquire when starred question No. 57, standing in my name and made an order for return on January 18 last, will be tabled.

Hon. Donald M. Fleming (Minister of Finance): Well, Mr. Speaker, it was not and could not have been a question directed to the Department of Finance, because I have not asked that any starred question be made an order for return this session. Therefore I think the hon. member should direct his question to the minister on whose proposal the question was made an order for return or, failing that, to the Secretary of State.

[*Later:*]

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Minister of Finance through what department of government payments are made to the provincial treasuries?

Mr. Fleming (Eglinton): Mr. Speaker, payments to provincial treasuries are made through the Department of Finance. If this question is intended to have any reference to the question asked by the hon. member for Welland, I have to direct the hon. member to the answer I gave that hon. gentleman.

The hon. member for Welland asked me a question by number. I pointed out to him that no question in the present session has been made an order for return at my request. I can only infer that the hon. member for Welland was prompted to ask the question of me because some part of the information that he desires is information that would normally be supplied by the Department of Finance. I can only conclude that as the question was made an order for return, it must have involved other departments as well.

Mr. Pickersgill: I should like to raise a point of order, sir, with respect to this matter. The minister has indicated that payments are made through his department to provincial treasuries. This question merely asks for payments from the federal treasury to the provincial treasury of Saskatchewan. In accordance with the minister's own answer it appears not to involve any other department but his.

Mr. Fleming (Eglinton): Mr. Speaker, I now have the text of the question before me; it was not given by the hon. member for Welland. I see that in *Hansard* of January 18 the question was put by the hon. member for Welland. My colleague the Secretary of State said:

> I would ask that this question be made an order for return.

Following that, Mr. Speaker said:

> Order for return.

Any follow-up question should therefore be directed to my colleague the Secretary of State who, of course, is the minister responsible for the tabling of returns that are directed in response to orders for returns in the house.

PENITENTIARIES

NEW WESTMINSTER—REPORTED PRINTING OF FORGED IDENTIFICATION CARDS

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I wish to direct a question to the Minister of Justice. It is reported in yesterday's Montreal *Star* that a Vancouver police officer said the night before last that prisoners in the federal penitentiary at New Westminster printed counterfeit identification cards for a country-wide forged cheque ring. Is the minister in a position to comment on that report?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I did not see that particular report but as I informed the house yesterday in reply to a question asked by the hon. member for Ottawa West, in which I am certain the hon. member himself took a great deal of interest, we discovered in April or May last year that there were certain irregularities in connection with the printing in the penitentiary print shops in Kingston and New Westminster. Steps were taken at that time to deal with those irregularities. I am sure that part of the answer escaped the hon. gentleman's attention.

INDUSTRY

STEEL—REPORTED DISCONTINUANCE OF PRODUCTION STATISTICS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Has the minister received a letter from Mr. William Mahoney, national director of the united steel workers, in which he has protested that the publication by the dominion bureau of statistics of rate of production statistics for the steel industry has been discontinued as of the beginning of this year? Could the minister say whether he has given consideration to having publication continued?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I have not seen the letter in question, but the hon. member was good enough yesterday to give me notice of his interest in this matter. Therefore I have had it checked and have here an answer for him.

The dominion bureau of statistics has not discontinued publication of figures on steel furnace capacity in Canada. It has been bureau practice to establish a capacity figure as of January 1 each year, using data supplied by the steel furnace operators. This total figure has been published regularly in both monthly and annual reports. This practice is being continued.

The bureau has merely altered its weekly release on ingot production. This release formerly stated the tonnage produced along with a percentage of rated capacity, the latter being based on a fixed weekly capacity obtained by dividing the annual figure by 52. There were two reasons for this change. First, the weekly percentage figure may in fact be misleading since it is not calculated on the basis of capacity actually in use during the week. That is, it does not take account of forced shutdowns of furnaces for repairs or shutdowns for holidays, etc. Second, important technological changes taking place in the industry make capacity figures less meaningful than formerly. The use of oxygen in steel furnaces has increased substantially the tonnage that can be obtained from a furnace. The use of an index based on average weekly output over a representative two-year period appears to provide a much firmer basis of comparison from week to week.

WAYS AND MEANS

The house in committee of ways and means, Mr. Rea in the chair.

CUSTOMS TARIFF

Resolved that it is expedient to introduce a measure to amend the customs tariff and to provide:

1. That the said act be amended by adding thereto immediately after section 2 thereof the following section:

"2A. (1) For the purposes of this act, goods shall be deemed to be of a "class or kind" made or produced in Canada if

(a) in the case of goods other than goods custom-made to specifications, goods of approximately the same class or kind are made or produced in Canada; and

(b) in the case of goods custom-made to specifications adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

(2) Notwithstanding subsection (1), goods other than goods custom-made to specifications shall be deemed not to be of a class or kind made or produced in Canada unless at least ten per cent of the normal Canadian consumption of goods of the same or approximately the same class or kind are made or produced in Canada.

(3) The decision of the minister shall be final with respect to the following matters:

(a) the normal Canadian consumption of the goods described in subsection (2), and

(b) whether goods are custom-made to specifications, and whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time."

2. That subsections (9) and (10) of section 6 of the said act be repealed and the following substituted therefor:

"(9) For the purposes of this act, notwithstanding section 2A, goods may be deemed to be of a class or kind not made or produced in Canada where similar goods made or produced in Canada are not offered for sale to the ordinary agencies of wholesale or retail distribution or are not offered to all purchasers on equal terms under like conditions, having regard to the custom and usage of trade."

3. That subsection (4) of section 6A of the said act be repealed.

4. That any enactment founded upon this resolution shall be deemed to have come into force on the 21st day of December, 1960, and to have applied to all goods mentioned therein imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

Mr. Martin (Timmins): Mr. Chairman, this is one of those rare occasions when I find it possible to take the opportunity to congratulate a cabinet minister. These occasions

present themselves so rarely that I never hesitate to seize upon them when they occur.

One of the favourite pastimes in this country today, whether we are dealing with unemployment, exports, imports or any other problem, is to place the complete blame on labour. This is why I congratulate the Minister of Labour for not going along with this very popular trend at the moment. I should like to refer to an article which appeared in *Highlights*, a publication of the national union of public employees. It is contained in the November 1960 issue. At page 4 we find this:

> Union economists who argue that labour costs should not be made the culprit for pricing Canadian goods out of world markets received support from an unexpected ally—federal labour minister Michael Starr.
>
> Mr. Starr suggested in an address to the Toronto board of trade that latest studies in his department indicated industry's profit margin was increasing while labour costs remained about the same percentage of gross value of output.

Mr. Chevrier: I do not want to interrupt the hon. gentleman, but is he directing his remarks to the Customs Tariff resolution?

Mr. Martin (Timmins): That is so, Mr. Chairman.

The Deputy Chairman: I wish the hon. member would point out to the Chair how he relates this to the Customs Tariff. I have been reading the resolution, and up to this moment I cannot reconcile the hon. member's remarks with it.

Mr. Martin (Timmins): Mr. Chairman, before I commenced my remarks perhaps I should have explained that this is merely a preliminary leading up to the item before the committee which deals with changes in the Customs Tariff. I presume the resolution has been brought in by the minister in an effort to meet some of the problems of the day.

Mr. Fleming (Eglinton): On that point, of course this is one of the methods put forward by the government to meet problems of the day; but, Mr. Chairman, we are dealing with a specific legislative proposal now. It is not in the realm of general debate. I think the point raised by the hon. member for Laurier is well taken, Mr. Chairman. We are discussing a proposed amendment of the Customs Tariff respecting the definition of class or kind.

Mr. Martin (Timmins): Mr. Chairman, before make a ruling on the point of order raised by the hon. member for Laurier, I suggest that this matter of tariffs and trade is of vital importance to the country at the present time in trying to deal with the problems before us. I suggest that on the first resolution we should deal with this subject as thoroughly as we possibly can. Certainly at a later stage I expect the debate will be confined much closer to the individual matters before the committee, but I would suggest that this is the only occasion when we shall be able to deal with this matter as a whole.

The Deputy Chairman: Order. We are not dealing with the whole Customs Tariff. In this resolution we are just dealing with certain specific things. Perhaps the hon. member has reference to the first item of the estimates of a department during the discussion of which great latitude is given, but this is a specific matter. There is no ruling to make because there is a definite rule, namely standing order 59 (2), which says that the discussion must be relevant to what is before the committee. We just concluded the budget debate.

Mr. Martin (Timmins): In that case, Mr. Chairman, I shall have to get right down to the point without painting the picture as I think it should be painted at the present time.

This appears to be just another step in the devious road that the minister is taking at the present time, and the apparent perennial answer of the Conservative party, which is to have higher and higher tariffs. I have seen this coming, Mr. Chairman, ever since September, 1958, at which time the minister brought in regulations and so forth which transferred from parliament to the cabinet the right to set tariffs in this country.

There is one difference at the present time as compared with the old form of Conservative high tariffs. We find that back in the old days R. B. Bennett marched boldly down the road to high tariffs. He came completely out in the open, with no holds barred. Of course the fact still remains—maybe this is the reason for the different method at the present time —that he had his eyes fixed so firmly on that goal, that the result was that he fell into a pit which was 22 years deep. The people of this country were willing to put up with the Liberals for 22 years, following the former Conservative high tariff policy. What we see now is that the current Minister of Finance apparently lacks the honesty of R. B. Bennett. He appears to have the same goal, but he uses devious routes to get there.

I must confess it is a very clever scheme that he has adopted here, Mr. Chairman. This change appears to be designed at the present time to extend the powers of the minister in this field, powers which can be used in a political sense to reward friends and to punish enemies, Mr. Chairman. This is one fact which will bring about fear and confusion across the country, because it will give the minister an opportunity to play off one group against the other. In Mr. Bennett's

days it was at least open and above board, and it was a policy that was equitable to all. It was not a policy that could be played against one particular group at any one particular time.

We need a policy that is fair to all. Whether you agree or disagree with a high tariff policy, at least it applies to all and it can be met with organized resistance by all. What we have at the present time is a policy which puts us in this position. Each group waits, wondering who is going to be next, wondering whose turn it is going to be when the axe next falls.

I do not know what the purpose of the change is, or whether it is going to make very much difference. Apparently aggrieved parties were previously able to appeal to the minister from the board's decision. Now they are going to be able to appeal to the board from the minister's decision. I do not know what the purpose of it is, and I certainly cannot see any difference.

Mr. Bell (Carleton): The hon. gentleman understands nothing about it.

Mr. Martin (Timmins): In spite of the fine words, Mr. Chairman, I would say the result will be something which we have seen coming about in the last three or four years, namely an ever increasing trend toward high tariffs. I suggest, Mr. Chairman, that this is an even worse answer to our present problems than the popular one I mentioned before, namely to blame labour for all our ills. In the February 1 issue of the Toronto *Telegram* we find a little article appearing on page 6 which reads in part as follows:

> Take the tariff that protects a large part of Canadian secondary industry: In a study prepared for the royal commission on Canada's economic prospects, Dr. John H. Young estimated that in 1956 the tariff cost Canadians about $1 billion. It would be more now. This is an indirect subsidy to industry, paid by the consumers of Canada. Ontario, having the largest concentration of industry, is obviously the chief beneficiary.

This, Mr. Chairman, is one of the inevitable results of this trend toward higher tariffs. We have again the warning of Mr. John L. Bonus, general manager of the Canadian association of British manufacturers and agencies. His warning is contained in the *Globe and Mail* of July 6, 1960 on page 20, and the article reads:

> Mr. Bonus warned that it would be a mistake for Canada to retreat behind a production barrier of high tariff quotas. To do so would lead inevitably to further isolation on world trade and increase inability of Canadian firms to compete outside the domestic market.

I suggest, Mr. Chairman, that this inevitable trend toward higher tariffs indicates the government is going back to the old days of Mr. Bennett. High tariffs and economic isolation are going to be for this government an even greater pit than the one into which Mr. Bennett fell in 1935.

The Deputy Chairman: The hon. member for Humboldt-Melfort.

Mr. Chevrier: Mr. Chairman, I rose a while ago when the hon. member rose.

The Deputy Chairman: I will recognize the hon. member for Laurier.

Mr. Chevrier: After the statement made by the Minister of Finance yesterday there are a number of questions that come to mind. Before commenting on this resolution I should like to put them to the minister. Some of these questions were asked by my colleague the hon. member for Kenora-Rainy River and other hon. members on this side of the house. They were pertinent questions with which the minister, I take it, will deal in due course.

The first question that comes to my mind is not as innocent as it appears to be on the surface. It is this. What is the purpose of this section? I have before me the statement which the minister made in the house yesterday. I was in the house when he made the first part of it, but unfortunately I had to leave before the last part was delivered. I note that on page 1636 of yesterday's *Hansard* the minister is reported as having summarized the three or four points that he suggests are the gravamen of this matter. These points are, to a large extent, legalistic and I think the house should have from the minister a simple statement of the purpose of the section.

Mr. Fleming (Eglinton): When the hon. member says "section", does he mean the entire—

Mr. Chevrier: I mean the resolution. Then I believe the committee would like to know what goods or commodities will be covered by this resolution. What goods or commodities will be protected? What will be the increase in the rates of duty? It has been said that the rates will be increased from 7 per cent to 22 per cent on items covered by this resolution. I believe that should be confirmed or explained in some manner.

Mr. Fleming (Eglinton): I can do that at once if the hon. member wishes. There is no change in any tariff rate involved here. The tariff rates are in the Customs Tariff today. They have been legislated by parliament. This proposed measure does not change a single rate in the whole Customs Tariff. With respect to those 70 items to which I referred in my opening statement yesterday, there are rates that apply in the case of goods of a class or kind made in Canada. There are

different rates established in the Customs Tariff with respect to goods not of a class or kind made in Canada. This proposed legislation simply concerns itself with the definition of class or kind.

Mr. Chevrier: I am glad to have that explanation in answer to the question which has been put. However, there are still a number of matters which I feel deserve attention. Why is it necessary to do the things that are being done in the resolution? What industries will be affected by this change? How is this resolution related to the dumping regulations which were enacted by the house in 1958? What effect did the dumping regulations have on the commodities toward which they were directed? Why does the Minister of National Revenue require the powers that are contained in this legislation, and why should he be given these powers which, on the face of them, certainly appear to be arbitrary?

Then why is the right of appeal to the courts taken away, a right which has heretofore existed? What is the value of the commodities to which this resolution is likely to apply? I am sure the officers of the finance department gave consideration to this matter before the preparation of the resolution and are in a position to tell the minister. What is the amount in dollars and cents of goods to which this resolution will apply?

Now, as I understand this and the minister will correct me when he replies if he wishes, this resolution seeks to amend sections 2 and 6 of the Customs Tariff dealing with goods of a class or kind made in Canada. The minister said yesterday the first part of the resolution will be enacted as section 2A of the Customs Tariff, and the latter part as an amendment to subsections 9 and 10 of section 6. It seems to me that the simplest way in which to put this matter is as follows. When are goods coming into Canada subject to duty? My understanding is that they are subject to duty in two cases. First, they are subject to duty when of a class or kind made in Canada. There is no point in putting a tariff on goods coming into Canada which are not made here. This, I take it, would be in restraint of trade.

Then there is the case in which it is expected that by putting a duty on goods it will encourage a new industry in Canada. However, goods of a class or kind have not always been easy to determine. They have not been easy to define. There is a long history of discussions on this subject in this house. Yesterday in his remarks the minister indicated that these discussions had started in 1904. I have a chronological history which goes away beyond that to 1894, but I am not going to burden the committee by putting that on *Hansard*. It is a fact that there have been long discussions in the house over many, many years as to the meaning and interpretation of words of this character, "goods of a class or kind made in Canada," "the cost of production factor" and the "made in Canada" species.

Mr. King, the former prime minister, stated in the house that there were two ways of making a tariff. He put it in this way. First, parliament could fix the rate, in which case it became known to the whole country and would apply at once. Second, the government could take discretionary powers artificially to alter the tariff by order in council, by altering the value for duty, in which event no one would know what tariff would be charged or how long a particular rate of duty would remain in effect. There is a third way, namely the manner in which it is being done in this resolution; because now the minister is to be given arbitrary powers and his decision shall be final. It is of no use for the Minister of Finance to take exception to that statement which was made yesterday in the house, because I intend to repeat it.

Mr. Fleming (Eglinton): I take exception to it.

Mr. Chevrier: Having regard to the language used in the resolution, there is no doubt that is what is meant.

Mr. Bell (Carleton): Not at all.

Mr. Chevrier: The tariff is a tax. The taxing power belongs peculiarly to the commons, and that power should not be parted with or delegated to any administration whatever.

What is being done in this resolution? The minister defines two kinds of goods, namely goods custom-made to specifications and shelf goods, as they were described by him yesterday. There is no doubt that by this definition he is increasing the range of commodities regarded as made in Canada. Goods that are not classified as made in Canada are not subject to dumping duties. What then is the relationship between this resolution and the anti-dumping duties enecated in 1958? The only relationship between the two is that the dumping law is applicable only to goods of a class or kind made in Canada. This change in the resolution is to broaden the definition and, in broadening the definition, therefore to bring more goods within its purview. It will therefore increase the range of goods that will be classified as made in Canada.

I said earlier that I could put on the record a long list of statements made in the house on this subject. I will not do that but I will refer, as did the minister, to the policy that

was enacted by order in council in 1936. It was that goods would not be subject to duty unless there was Canadian production of those goods up to 10 per cent of the domestic market. The law here is being changed with reference to custom-made goods. In so far as the other kind is concerned, as I understand it, there is no change save and except in the abolishing of the appeal.

In 1958 parliament amended the Customs Act for the purpose of changing the method of valuation. The method of valuing goods for duty purposes was changed so as to include a cost production factor. The relationship between the two is that here they are bringing more goods under the umbrella of this protective resolution. I have heard it stated—and I repeat it because I have heard it stated from authoritative sources—that some $200 million of goods will be affected by this resolution.

I cannot come to any other conclusion but that this is bad and vicious legislation. The minister is moving toward protection furtively unlike Mr. Bennett did. The minister is moving toward a protective tariff in more than one way. He has been moving in that trend for quite a long time now. When he was offered the British free trade proposals at Mont Tremblant, he turned his back upon them and they were not considered. Then we had the tariff increase concerning British woollens. Then we had the quotas on Japanese goods, wherein the Japanese agreed to accept certain quotas affecting exports from that country to Canada.

Mr. Fleming (Eglinton): Will the hon. member permit a question?

Mr. Chevrier: No, not at this stage. I would ask the minister to reserve it until later, if he will. Then we had the dumping regulations in 1958. What was the effect of the dumping regulations? I think we are entitled here in the House of Commons now in considering this matter which is not unlike the other one, to a complete statement by the minister as to the effect of these regulations. Why were they not sufficient? Why were they not successful in meeting the ends for which they were put into force and which we fought as strongly as we could in the house?

As a fifth trend toward higher protection we have a redefinition of goods of a class or kind made in Canada. Then there is the question contained in the latter part of section 2A of the resolution which the minister states is not taking arbitrary powers. I should like to put subsection 3 of section 2A of the resolution on the record in order to make my remarks clear. It reads as follows:

(3) The decision of the minister shall be final with respect to the following matters:

(a) the normal Canadian consumption of the goods described in subsection (2), and

(b) whether goods are custom-made to specifications, and whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

The minister has been asked first, what is the economic production of such goods and what is the meaning of the words "within a reasonable period of time". When the minister states that these are not arbitrary powers, surely he cannot be serious. The words are quite clear. Here in those two matters, affecting two important items in this resolution, the decision of the Minister of National Revenue is final. Is that not taking away the rights of parliament? Is that not taking from parliament the taxing power to which this House of Commons is entitled?

Mr. Bell (Carleton): Not at all.

Mr. Chevrier: It is giving that power to a minister.

Mr. Fleming (Eglinton): No.

Mr. Chevrier: It is in restraint of trade. It is restricting trade. It is also in effect, both directly and indirectly, making the capital cost of production higher. How can you raise the productivity of the nation if you are going to raise the capital cost of production? As I say, that is a matter which belongs to this House of Commons and not to the Minister of of National Revenue in any form or shape.

Then again, this section which I have read, in my opinion, gives to the minister new and arbitrary powers, and authority to impose a tax which is the prerogative of parliament. This is protection with a vengeance. This is also protection against something which does not exist at the present time. It is also an invisible tariff. This is obtaining this power not by the front door method, not by the method which Mr. Bennett would have used, but by another method which is being used now by the Minister of Finance, namely the back door method. It is a return in another way to the days of Mr. Bennett, whose policies were so destructive to our economy. It seems to me it has been the policy and the tendency of the Conservative party to resort to these measures in times of unemployment. They may be sincere—I have no doubt they are—in their hope that this will help the economy, but I can assure the minister that in my opinion this is very bad legislation.

There is no appeal from the decision of the minister. There was an appeal, prior to this, to the tariff board, from the tariff board to the exchequer court and from the exchequer court to the Supreme Court of Canada. Now there is to be no appeal from the decision of

the minister; the minister's decision is final; he has the full authority to decide these matters, and his decision ends the matter.

I ask the Minister of Finance whether he believes that this is the kind of legislation which will commend itself to the Canadian people. I remember what he thought of powers that were taken away from parliament in days gone by, of powers that were taken away from this house and given not to a minister but to the governor in council.

I remember what he thought in those days, and I would like to put on *Hansard* a statement dealing with a matter not unlike the one which is under discussion today. To my mind this one under discussion today is far worse, because it is giving the power to an individual rather than to the governor in council. At page 4524 of *Hansard* of June 7, 1955, the Minister of Finance, who was then the member for Eglinton, had this to say on the subject of certain powers taken away in a matter that was before the house.

Mr. Fleming (Eglinton): Mr. Chairman, I think the hon. member should say what particular powers and what measures were being considered at that time.

Mr. Chevrier: It was on the discussion of the Defence Production Act.

Mr. Fleming (Eglinton): That is a very different matter.

Mr. Chevrier: The minister says that is a very different matter, but let us hear what the minister had then to say. I quote his words, as reported in *Hansard*:

> The supreme duty of parliament, in discharging its responsibility to the people, is to be true and faithful to its traditional role of the champion of the rights and freedom of the people.

Then he said:

> How this government loves to dress up what is in fact a denial of the rule of law, the subjugation of parliament to the executive branch of government, by having parliament go through the process of conferring upon them the power to legislate. And that vicious practice is dressed up. An attempt is made to clothe it with an air of respectability by calling it "delegated legislation". Sir, no euphonious title will succeed in applying a sufficient disguise to this vicious and threatening practice.
>
> Hon. members can well see, in the light of the description of the Prime Minister of the powers under this act, that these are such powers as make it possible for the government to make itself dictator of the Canadian economy tomorrow. Under this legislation the government, and particularly the Minister of Defence Production, hold the Canadian economy in the palms of their hands. The government can override any other legal obligation howsoever created.
>
> Sir, these powers are so sweeping that I am quite sure most Canadians just could not believe this is the way in which parliament is called upon by this government to legislate.

[Mr. Chevrier.]

Those are the words of the Minister of Finance of yesteryear.

Mr. Bell (Carleton): And very true they were, in the circumstances.

Mr. Chevrier: Those words are applicable to this legislation.

Mr. Pickersgill: They are much more so.

Mr. Chevrier: They are much more true in this case, as my hon. friend the member for Bonavista-Twillingate says, when the powers will be conferred not upon the executive but upon the Minister of National Revenue, as contained in the second part of this resolution.

An hon. Member: And without appeal.

Mr. Chevrier: And without appeal. This is really dressing it up. Where could you dress it up any more than you have in the resolution and as you probably will in the bill?

I said earlier that this, in my opinion, was vicious legislation. The Minister of Finance and some of his colleagues have gone to Paris, to Washington and elsewhere in an attempt to come to some understanding with the common market countries. The common market countries up until now, as I understand it, have reduced their tariffs by some 30 per cent and are prepared to raise their tariffs against countries on the outside. Canada, the United States and Britain may well be affected by this unless Britain joins the common market, and unless Canada and the United States give greater consideration to a *modus vivendi* between the two blocs, because there is no doubt in the world that the economy of the common market is in high gear at the present time.

This is the kind of legislation which in my opinion is giving effect to the threat which the Minister of Trade and Commerce expressed in a speech delivered in Paris, and which the Leader of the Opposition has already put on *Hansard*. In view of that it would seem to me that attempts should be made to find a common denominator between the economy of those countries and that of Canada, Britain and the United States, rather than resorting to this kind of legislation, which undoubtedly will have a detrimental effect on our country.

I repeat what I said earlier. I do not think this legislation will meet the position which the minister has in mind, and I can only repeat what he said:

> Sir, these powers are so sweeping that I am quite sure most Canadians just could not believe this is the way in which parliament is called upon by this government to legislate.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member for Laurier began by indicating that he had not heard half of the statement

that I made yesterday by way of explanation of the resolution. I can well understand that, after having listened to his remarks this afternoon, because they have not been directed to the resolution at all. He may have thought he was speaking about the resolution, but he was talking about something quite different from what is before the house.

He began also by saying he was going to ask a series of questions, and I gathered the impression that he was going to wait for the answers before he launched into any statement of his position on the bill. But he has not waited to obtain the information in reply to some eight or ten questions. He went on, not waiting for the information, not waiting for the answers; indeed, not caring to wait until he received information that evidently he was aware of needing. He then proceeded to attack the bill and to denounce it with adjectives which can only be construed as indicating that he is not aware of the terms of the legislation proposed.

I am going to begin by offering him the kind of information that I thought he was seeking, and suggest that had he had this information he would have come to a rather different conclusion. I also have some observations to make on some other long bows that he has drawn on the record of this government in relation to matters pertaining to tariff protection.

His first question was, "What is the purpose of this resolution?" I stated that in the budget speech of December 20, and I stated it again yesterday. It is very clear. The purpose of the proposed legislation is to restore the original concepts relating to this phrase "class or kind" after what I described yesterday as a decade of erosion. In doing so we will provide for the first time some effective means of dealing with goods that have been described in this proposed amendment.

The second of his questions was, "What goods or commodities are covered by the resolution?" I have already answered that. They are all set out in the Customs Tariff in the 70 items in which this expression appears. They cover a very broad range of goods. In most cases there is no question about whether goods are made or not made in Canada, but difficulties have arisen over marginal cases. These have always been subject to the rulings of the department. The hon. member knows perfectly well that this legislation, which has been on the statute books for many years, has required rulings to be made times without number by the department.

Mr. Pickersgill: Which were appealable.

Mr. Fleming (Eglinton): Yes, they were subject to appeal. I am dealing now with the situation as regards the interpretation of legislation the meaning of which was well understood, especially by the governments which introduced it, principally Liberal governments, and I say that the course of the decisions in the past decade has been to set at nought in many of these cases the purpose of parliament and the purpose of the governments which introduce this legislation.

Mr. Pickersgill: Would the minister permit a question?

Mr. Fleming (Eglinton): I was denied the privilege of asking the hon. member for Laurier a question, but I do not wish to follow his example.

Mr. Chevrier: You interrupted me and made a speech.

Mr. Fleming (Eglinton): I did not do anything of the kind. I asked if I could ask a question, and the hon. gentleman said no.

Mr. Chevrier: Just a moment. I will not allow the Minister of Finance to misinterpret what happened. The hon. gentleman interrupted me in the early part of my speech and proceeded to make a statement. I did not deny him that opportunity. Then he asked if he could ask a question and I denied him the right to ask that question because I did not want my speech to be interrupted by a number of statements from the minister.

Mr. Fleming (Eglinton): I come back to what I said. The hon. member is referring to the question he asked me, his second question. I indicated I was prepared to answer that at that time. He yielded the floor, and I then answered his second question. Later, when the hon. gentleman reached the point of talking about export quotas applied by Japan on certain exports to Canada, I rose and asked, in accordance with the rules of the house, if I could ask a question then, and the hon. gentleman said, no. The record will bear me out.

Mr. Chevrier: You interrupted me then.

Mr. Fleming (Eglinton): No, there was no interruption at all; none whatever.

I will deal with the question asked by the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: Does the minister mean by what he is pleased to call "erosion" the decisions of the courts and, if so, is he not asking this parliament to overrule and override the courts because he does not like their decisions.

Mr. Fleming (Eglinton): It is a fact that that there have been decisions of the courts in this period, decisions which have been at variance with the rulings and interpretations which had been well established up to that time.

Mr. Pickersgill: The rulings of the executive.

Mr. Fleming (Eglinton): Of Liberal governments, principally—

Mr. Pickersgill: Still the executive.

Mr. Fleming (Eglinton): —of which the hon. gentleman's colleagues were previously members.

Mr. Pickersgill: That does not alter the principle.

Mr. Fleming (Eglinton): This parliament changes the law very often in the light of the interpretation of the law by the courts.

Mr. Pickersgill: May I ask the minister—

Mr. Fleming (Eglinton): Legislation by parliament—

Mr. Pickersgill: May I ask the minister—

Mr. Fleming (Eglinton): May I finish my statement?

Mr. Pickersgill: I beg the minister's pardon.

Mr. Fleming (Eglinton): Many of the proposals put before parliament in the course of budgets arise out of interpretations which the courts have placed on certain measures. There is hardly a budget placed before parliament which does not take note in some respect or other of an interpretation put on something by the courts and the necessity for changing the law as thus interpreted by the courts. Let there be no mistake about that. In recent years, as a result of one or two of the decisions which the tariff board has been following, interpretations have been given by the courts which, again, have carried an emphasis which is at variance with what was the well-established import of those words prior to this last decade. That is an uncontestable fact.

Mr. Pickersgill: May I ask the minister if he will now answer my question. I accept what he has said that parliament has a perfect right to change laws after the courts have made decisions. If the courts place a certain interpretation on the law and we think it should be something else, then we have the right to change it, but what the minister is asking here is that we should suppress the courts. He is denying the right to an appeal in the future, and that is what we are objecting to.

Mr. Fleming (Eglinton): You see, Mr. Chairman, this speech has been introduced under the guise of asking a question.

Mr. Pickersgill: Well, answer it.

Mr. Fleming (Eglinton): Answer the speech? I shall be prepared to answer anything that is raised in the committee and I shall be prepared to answer this point, but I will first draw to your attention, Mr. Chairman, the manner in which the hon. member, having taken to himself the right to ask a question, then comes forward in typical style to supply his own answer, which is a most erroneous and misleading answer, and then sits down with a look of utter satisfaction although the answer he has supplied to his own question is wrong.

Mr. Pickersgill: You give the answer, then.

Mr. Fleming (Eglinton): May I make my own statement?

Mr. Pickersgill: Give the answer; never mind all the verbiage.

Mr. Fleming (Eglinton): We were referring a moment ago to interruptions. You will note, Mr. Chairman, that the hon. member is still not satisfied. He has asked a question and supplied his own answer and now when I am dealing with the subject he insists that he should supply my answer as well. The process of totalitarianism with which the hon. member is all too well acquainted has not gone that far here. The hon. gentleman is not going to supply the answer for me.

I had reached the point, before the hon. member's interruption, where I was dealing with the second question put by the hon. member for Laurier. Quite at variance with his idea of the effect of this amendment I say that there are no rates changed by this legislation. This legislation does not change a single customs tariff rate under the Customs Tariff.

We are asked, in the third place, what industries are affected. They are the industries which are engaged in the production of the articles described in these 70 items in the Customs Tariff. They cover a wide range but, as I indicated, if you are looking in particular at one branch of the goods, namely those described here as custom-made according to specification, they are obviously heavy machinery in large measure.

I was asked next by the hon. member for Laurier how this is related to the dumping regulations. The form of the question is very interesting. What does the hon. gentleman mean by "dumping regulations"? The dumping regulations which I presume he has in mind must be some regulations promulgated in pursuance of legislation passed by parliament. He is quite right in saying that the powers which are created under the Customs Tariff in relation to dumping apply only to goods of a class or kind made in Canada. That is quite correct and I dealt with that subject in my remarks yesterday. I pointed that out plainly. Then when he went on to talk about this subject later it appeared that

when he talked about dumping regulations he had some reference to the legislation which was introduced in 1958 in this house by way of amendment to the Customs Act. That is not this statute at all; it is the Customs Act. That was a measure introduced by a colleague, the Minister of National Revenue, dealing with the basis of valuation of goods imported into Canada and requiring that certain elements of cost of production be included in that value for entry purposes.

At a later stage in his speech, without having waited for an answer to this question, we heard the hon. member say that the present legislation apparently had some sinister connection with the legislation of 1958. The legislation of 1958 was very good legislation and as was pointed out at that time it was badly needed for the purpose of making known to some foreign producers who were in the habit of exporting into Canada that they would not be permitted to do so on a basis of dumping in Canada.

So salutary has been the effect of the mere enactment of that legislation that it has not been necessary once in the two and a half intervening years to apply that legislation in any particular case. The Minister of National Revenue made that fact known in the house previously. I say there is an exemple of very great benefit having been achieved by the mere enactment of that legislation.

Mr. Chevrier: May I ask the minister a question?

Mr. Fleming (Eglinton): All this talk about arbitrary powers has no application whatever. It never had any basis and it has none now.

Mr. Chevrier: Will the minister permit a question?

Mr. Fleming (Eglinton): Well, Mr. Chairman, contrary to the position taken by the hon. member when he was speaking, I shall be glad to answer his question.

Mr. Chevrier: I thank the hon. minister, Mr. Chairman, but I should like to ask him this question. How salutary could the regulations to which he referred have been when in the constituency of Stormont and in the city of Cornwall no less than two industries closed down?

Mr. Fleming (Eglinton): Mr. Chairman, I draw attention to the evidence of a continued and sad misconception on the part of the hon. member for Laurier. I have been talking about legislation, amendments to the Customs Act enacted in this house in the 1958 session. The hon. member comes back and talks about the dumping regulations. I am left to wonder what the hon. member is talking about or whether he clearly understands what the matter is that is now before the committee.

Mr. Chevrier: The two thousand people who are out of work are wondering too.

Mr. Fleming (Eglinton): The hon. member apparently is saying that more drastic use should have been made of the powers conferred by parliament upon the Minister of National Revenue.

Mr. Chevrier: The minister is saying that.

Mr. Fleming (Eglinton): Otherwise the hon. member's statement has no sense in it whatever.

Mr. Chevrier: The minister is saying that.

Mr. Fleming (Eglinton): Here we are getting interruptions, you see, from the hon. member who was complaining about interruptions when he did not get any. Perhaps the hon. gentleman can listen now when someone else has the floor.

The fact is, Mr. Chairman, that this was salutary legislation. It has had a good effect. The hon. member for Laurier having opposed that legislation in 1958 is now saying in effect, "You should exercise powers now that I objected to your taking in 1958." This is just about as consistent as one might expect in that particular quarter.

Mr. Chevrier: Two thousand people out of work.

Mr. Fleming (Eglinton): There he goes again, Mr. Chairman, and yet the hon. member was complaining about interruptions.

I now proceed to the hon. member's next question which was this: Why does the minister require the powers? I dealt with this subject yesterday and I will come back again to this subject of the powers of the minister and of the tariff board in relation to the matters that are going to arise under the proposed amendment. I again draw the attention of the committee to the fact that the hon. member is apparently not aware that the legislation as it has existed in its present form for years has required many decisions on the part of the minister. But I will come back to this matter of the powers of the minister and of the tariff board in relation to the amendments because there has been, not only a sad misinterpretation but indeed a drastic misrepresentation of the effect of the amendments in that regard.

Mr. Pickersgill: Lack of clarity.

Mr. Fleming (Eglinton): In question No. 6 the hon. member asks why the right of appeal is taken away. I say that the right of appeal as to matters that are properly the subject

of appeal is not taken away by this legislation. Again I shall have something to say by way of enlargement on this matter at a later stage in my remarks.

In his next question the hon. member asks what is the value of the commodities to which the resolution is likely to apply. The fact is that no one can say precisely what is the value of the commodities to which the amendment is likely to apply. This case is not at all the simple case in which there is a change in the rate of duty on an existing tariff item. In such cases statistics are usually available including the volume of imports which would be affected. In the present situation, however, what is involved is some alteration in the position of the margin between what is considered to be made in Canada and what is not.

There are two reasons why statistics cannot be given here in reply to this question. In the first place, in the case of many pairs of tariff items—and when I speak about pairs I am speaking about items including those that are made in Canada on the one hand and those that are not made in Canada on the other; that is what is meant by a pair—statistics exist only for total imports. In the second place it is not possible to forecast what quantitative effects will flow from rulings based on the new section as opposed to rulings based on the former section.

The hon. member's next question, I think, was really the same question re-phrased. He asked what was the amount in dollars and cents of such commodities. I have dealt with that.

The hon. member next asked when are goods coming into Canada subject to duty. The answer is that they are subject to duty when the Customs Tariff makes them subject to duty. That is legislation with which we are not interfering in the least. I say again that this legislation does not change any rate whatever. Broadly speaking the rates are lower in the case of goods not produced in Canada under these 70 items of the tariff than are the rates on goods that are produced in Canada.

I wish now to proceed to deal more broadly with some of the remarks of the hon. member for Laurier and hon. members who preceded him. The hon. gentleman spoke about the history of this legislation. He is aware of history going back to 1894. Actually, if you wish to go to the fine point, this kind of legislation goes back to 1873 for it was in that year that provision was made for a 10 per cent duty on "machinery for mills and factories of kinds which are then manufactured in the dominion." There was further legislation in 1880 and again in 1890, and so on.

My reference to this legislation yesterday as coming from 1907 related largely to the form of the present tariff. It is in that tariff that we find this present concept appearing and carried to a greater extent than had ever been done before in any legislation of this parliament.

We have had statements made to the effect that this proposed legislation gives the government or the minister power which, as the hon. member for Laurier said, belongs to the house. The hon. gentleman said that Mr. King had once stated that there were several ways of applying tariffs and one way was to take unto the governor in council the power to establish the tariff by order in council.

Mr. Chevrier: No, I did not say that.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member said that Mr. King had said that this was one of several ways in which a tariff could be established. I have his words here. The hon. gentleman said in effect that the better way was to legislate directly and not to give the governor in council power to establish rates by order in council. It is unfortunate that the hon. member for Laurier was not better prepared with his case before he began to talk along this line today. We are asking the house in these present amendments to reduce the powers that the Customs Tariff now confers on the governor in council.

Mr. Pickersgill: Subject to appeal.

Mr. Fleming (Eglinton): No, the powers to which I am referring are not subject to appeal at all.

Mr. Martin (Essex East): Do not become angry.

Mr. Fleming (Eglinton): I sometimes find it difficult to be completely patient and docile in the face of statements emanating from hon. members opposite that are not only erroneous but misleading.

Mr. Howard: Docility is not one of your qualities.

Mr. Fleming (Eglinton): I did not hear the remark, but I take it that it comes from a source that probably one should not take the time to deal with, anyway.

Mr. Howard: That is because it is injurious to you.

Mr. Fleming (Eglinton): The source in question I should think is injurious to everything, including itself.

The hon. member waxed quite loud on this subject. He evidently does not like powers being given to the governor in council. Well, Mr. Chairman, let me draw his attention to powers that parliament has given to the governor in council, which we are in effect now giving back to parliament if parliament will approve the present resolution. Under section 6, subsection 10, of the present Customs Tariff we have this provision:

For the purpose of this act goods shall not be deemed to be of a class or kind made or produced in Canada unless so made or produced in substantial quantities, and—

And note these words, Mr. Chairman:

—the governor in council may provide that such quantities, to be substantial, shall be sufficient to supply a certain percentage of the normal Canadian consumption and may fix such percentages.

This is the section, Mr. Chairman, and it is under the authority of this clause that the Liberal government in 1936 proceeded to pass order in council P.C. 1618 on July 2, 1936, and to name as 10 per cent the percentage of the normal Canadian consumption which an article must supply before it is to be deemed to be a class or kind made in Canada.

Mr. McIlraith: Will the minister permit a question?

Mr. Fleming (Eglinton): May I just go on. I will be glad to take the question at the proper time, but I am in the middle of developing a point here.

This is the order in council passed by the Liberal administration. It is significant that it was passed in 1936, in the first or the second session that the hon. member for Laurier was a member of this parliament. I have no doubt that since this legislation was introduced by the government of that day it had his full support.

Mr. Pickersgill: The legislation was not introduced then; it was the order in council.

Mr. Fleming (Eglinton): The order in council was introduced at that time, and I have no doubt that since it was introduced by the government of that day it must have had the full support of the hon. member for Laurier. I do not recall that he has ever raised his voice in protest against the exercise of this power.

Now, Mr. Chairman, as long as this power remains on the statute books it lies within the power of the governor in council to change that percentage requirement. It will be perfectly lawful for the governor in council to pass a new order in council and say that the order in council of 1936 is repealed and that hereafter articles shall not be deemed to be a class or kind made or produced in Canada unless a quantity sufficient to supply 1 per cent—

Mr. Pickersgill: That is right.

Mr. Fleming (Eglinton): —of the normal Canadian consumption of such article was made or produced. That is the power, and that would be a perfectly valid exercise of this power that parliament has conferred on the governor in council, and that is the sort of exercise of such a power that I would expect to be carried out by a government that had a high tariff or a high protection purpose. It would be the easiest thing in the world, and the hon. member has the temerity to accuse the present government of having a high protection purpose in what it is doing.

Mr. Chevrier: There is no doubt about it.

Mr. Fleming (Eglinton): The facts are all against the hon. member for Laurier.

Mr. Chevrier: Not at all.

Mr. Fleming (Eglinton): They are. In the teeth of the argument that he put before the committee this afternoon is the answer that we are not using the power that we could use to reduce to some vanishing point, some merely nominal percentage, the requirement in order that the higher tariff rate should become applicable, because the goods would then be classed as a class or kind made in Canada. We are, on the contrary, taking this power away from the governor in council and we are asking parliament to legislate. We are doing the very thing that the hon. member for Laurier—if he understood the full significance of the words he used this afternoon, or probably he was ascribing them to Mr. Mackenzie King—says that he would have been doing. He should be supporting our amendment instead of purporting to say, as he did, that we were violating, as I understood him, those principles on which he was taking a stand. He says that this is bad, vicious legislation.

Mr. Chevrier: It is.

Mr. Fleming (Eglinton): I hope he will go down to Cornwall and say to the people there that he is against anything in the way of protection; that he has stood up in this House of Commons and denounced what he said was a protective measure, even though the facts seem to be somewhat different.

Mr. Chevrier: The minister should go down to Cornwall and explain his stand.

Mr. Fleming (Eglinton): Here is a member who has asked me repeatedly in the house about what measures we are taking to prevent goods coming into Canada to displace those made by the textile mills in Cornwall. I hope that the workmen in the textile mills in Cornwall will be well informed of this; I hope

that they will know that their former member for Cornwall has risen in his place today and has attacked legislation that he said had a protective purpose because it had such a purpose, in his assertion.

Mr. Chevrier: I rise on a point of order and a question of privilege. The Minister of Finance has no right to make statements such as those he has made, and he has no right to insinuate. He has asked questions in connection with a question which I put to him, and from what was said has drawn a conclusion. I did not deal in my remarks with anything concerning the textile industry or with anything concerning the mills in Cornwall. In his reply to me my hon. friend knows—

Mr. Bell (Carleton): What is the point of order?

Mr. Chevrier: The point of order is that I have been misrepresented by the Minister of Finance. I have been misrepresented not only in the words which he used but also in the interpretation which he put on my remarks. At no time in the remarks which I made did I refer to the textile mills in Cornwall. When a question was put to me I did ask, what was being done by the anti-dumping regulations in so far as the 2,000 people put out of work in the mills at Cornwall are concerned. I will meet my hon. friend on that point here in the house at any time he wishes.

Mr. Bell (Carleton): What is the point of order?

Mr. Chevrier: The point of order is that the anti-dumping regulations were enacted in this house with the stated view of coming to the assistance of those who were in difficulties and those who suffered in those mills. So far as I can see not a thing has been done to assist them in any way whatsoever. When the minister makes a statement he should not attempt to put words in an hon. member's mouth which were not there at all.

Mr. Bell (Carleton): That is the phoniest point of order ever raised in this house.

Mr. Fleming (Eglinton): I quite agree with my hon. friend from Carleton that what we have just heard is just about the phoniest point of order that has been raised in this house. The hon. member obviously wished to make his speech. He is not content to wait and do so in the proper way, so he raises a bogus point of order. Let us not worry about that, Mr. Chairman. We have this interesting situation. The hon. member for Laurier was one of those who believed that the workers in the textile mills in Cornwall should have some protection against dumping in the Canadian market of the kind of goods that they were seeking to make in the Cornwall mills. The hon. member apparently has not realized yet that the power to deal with dumping is confined to goods of a class or kind made in Canada, and the erosion that has gone on over the past 10 years has gradually narrowed the power reposed in the government by parliament to deal with the dumping of goods of another nature that are of a class or kind made in Canada, and that applies to the textile goods made in those Cornwall mills.

Mr. Chevrier: You put 2,000 out of work.

Mr. Fleming (Eglinton): Everything said by the hon. member for Laurier, everything that has been argued for this afternoon, confounds him when he pretends to be a champion of the workers in the textile mills. He has argued here this afternoon for a position that would gradually reduce the power of government to apply dumping measures to restrain the kind of dumping that would otherwise deprive Canadians of their jobs in those textile mills in Cornwall.

Now, the hon. member for Bonavista-Twillingate, in seeking to come to the rescue of the hon. member for Laurier, was a little too quick on the trigger a moment or two ago, as he so often is. I should like to caution my old friend, the hon. member for Laurier, against accepting gratuitous aid from that uncertain quarter. I think that his own mistakes in his speech this afternoon were such that he would be better advised to stick with those than to accept the Trojan horse offered by his seatmate, the hon. member for Bonavista-Twillingate.

The order in council to which I have referred, Mr. Chairman, P.C. 1618 of July 2, 1936, was passed under the authority of subsection 10 section 6 of the Customs Tariff, as I have indicated. I did not go on to state, as I should have at that time, that that subsection, which gives to the governor in council the power to determine the percentage which shall be the test whether goods are of a class or kind made in Canada, was itself enacted in this house in 1936. It was part of the budget proposals introduced by the Liberal minister of finance in 1936, and was supported by the hon. member for Laurier. It was after that subsection was enacted by parliament that the power thereby conferred on the governor in council was exercised in the manner I have indicated.

Now, I proceed to another interesting observation made by the hon. member for Laurier.

The Chairman: Order; I am sorry to interrupt the minister but his time has expired.

Mr. Pickersgill: I can give the minister a chance to continue by saying about five words because I think we would like him to continue. I wonder if the minister would not go

on and answer the question I asked, and on which he beat around the bush and carefully evaded an answer. My question is this: Why is the government, instead of changing the law and undoing this so-called erosion but still leaving the right of appeal to the courts, abolishing the appeal to the courts by this legislation? Subsection 3 of section 2A of the proposed resolution reads:

> The decision of the minister shall be final with respect to the final matters:
> (a) the normal Canadian consumption of the goods described in subsection 2,—

If the minister's decision about that is final, the minister can set that at any figure he chooses. No matter what other aspects of the matter may be appealed to the courts, if the minister says normal consumption is only 100 of something, then 10 per cent would only be 10. If you give this control and completely arbitrary power to the minister then there is nothing whatever left for determination on the appeal. I ask the minister why, when he attaches great virtue to this government for putting the 10 per cent into the law instead of leaving it in the regulations, he changes the definition of class or kind to make it uncertain when formerly it was precise and certain. I believe that the change with respect to the 10 per cent, of itself and isolated from everything, is commendable. However, this resolution gives to a single minister the arbitrary power, without appeal, to determine the quantity that is normally consumed in Canada.

The moment you abstract one element from the adjudication, no adjudication can be made at all. Unless the tariff board has the power to decide the quantity normally consumed in Canada it cannot make any proper decision as to what 10 per cent of that is. This decision will be governed by the amount the minister may arbitrarily determine. If the minister has some friends who want some protection he can set the total quantity very low in order to make sure their production is 10 per cent, thus giving them a hand-out. If, on the other hand, there are people he does not like he can say the normal consumption is very high and a small duty will be applied on the goods. In other words, any possibility of adjudication on shelf goods, taking all the objections into account, will be prevented by subsection 3 of section 2A as it is now.

I say, why is this government trying to override the courts, trying to prevent people getting into the courts, to have the facts decided? The facts should not be decided in a back room down on Mackenzie avenue, they should be decided openly when they are in dispute and before a proper tribunal set up for the purpose. Anything less than that is arbitrary power. You are taking the power to tax away from parliament and doing the very thing the minister objected to so eloquently in 1955. The year 1955 seems to have been a poor year for the minister in setting precedents. In the year 1955, as the hon. member for Laurier has just said, the present Minister of Finance objected to a minister or the governor in council being given certain powers in the event of an emergency threatening our very existence. However, this government suggests now that the Minister of National Revenue should be given arbitrary powers to govern the whole ambit of Canadian import trade, without appeal to anybody.

If one looks at subsection (b) of section 2A he finds that the minister can decide whether or not goods are custom-made. If he says so, that is fine. There is no appeal to anybody. No more arbitrary power over the economy of a country has ever been requested in any document that I have ever seen placed before parliament than the minister is proposing to put in this legislation. The Minister of National Revenue will be able to decide, without appeal, without regard to the facts if he wishes to be capricious, whether goods are shelf goods or custom made. There will be no appeal. He will be able to decide, in the case of shelf goods, what the normal consumption in Canada is. Once he has decided that, any adjudication on the other points will be an utter and complete farce. It is this legislating of the courts out of existence, denying the people the right of appeal to the courts which is, of the many objectionable features in this legislation, the most objectionable.

I ask the minister why he does not ask us to change the law in a fashion that he thinks is right, but leave it to the courts to interpret the law? This is the proper way, under our constitution, instead of substituting the Minister of National Revenue for the courts and providing no right of appeal. There is no right for anyone else to examine the facts in an independent fashion. This is the most arbitrary interference with our trade which, after all, represents the source of the income of 20 per cent of the people of this country. This provision clearly gives to the Minister of National Revenue the power of life and death over the income of a very large proportion of the Canadian people. Compared with anything that was done by the previous administration, the arbitrary character of this legislation is beyond belief.

Mr. Chevrier: Before the minister answers, since he was proceeding to reply to what I said, I wonder whether he would not give consideration to one matter which will take just a moment to bring to his attention. I refer

to a statement made by the Prime Minister at Cornwall in 1958, and which is reported as follows:

> A textile manufacturing city, has been seriously hit by United States "dumping" of textiles, and Mr. Diefenbaker made it plain this situation would not be permitted to continue. The textile industry has not always been treated fairly in the past, he affirmed in a searching denunciation of the former Liberal government. Its requests for better treatment have much too long been neglected.

Notwithstanding the passage of three years, not only has nothing been done but three of these industries have been closed putting out of work some 2,000 people.

Mr. Fleming (Eglinton): The hon. member for Bonavista-Twillingate has his right to speak in the committee. It was interesting to hear him make this speech under the guise of attempting to be of assistance to me and give me an opportunity to continue. I think it would have been much more to the point if he had said he was exercising his right to speak and to raise the questions which he did. I said I intended to deal with these questions. If he will be patient, I intend to deal with them, and deal with them adequately, just as I intend to deal with the points raised last night by the hon. member for Kenora-Rainy River.

We heard this afternoon the hon. member for Timmins speaking in the same sense as did the hon. member for Laurier this afternoon and somewhat in the same sense as the hon. member for Assiniboia last night in his typically wild speech. The assertion is made that this legislation is an example of a protectionist policy and that in this respect it exhibits a trend. Those assertions have no basis in fact whatever. They have no basis in anything except the fancy, the fiction and the political approach of those who resort to such statements.

What is the record of this government with regard to tariff changes? The record, is this. Three regular budgets have been introduced, namely in 1958, 1959 and 1960, in which tariff changes were made. Where those tariff changes involved items with regard to which there were bindings under GATT we have followed scrupulously and to the letter the provisions of GATT. In every case negotiations have been held and what was presented to the house was presented in accordance with the agreements reached with the countries concerned. There has been loyal adherence at all times to GATT, both with regard to its letter and its spirit.

I think it is not unfair also to recall that the tariff changes that have been made, as to the principal items concerned, have been made invariably on recommendations made by the tariff board. Some amendments have been made, of course, on items that were not before the tariff board but they were not large matters or important and far-reaching amendments. Some of these references to the tariff board had been made by our predecessors before we came into office. Some of these references have been directed to the tariff board since we came into office.

What about the changes themselves? Here is the record. I do not say this is the only way by which to test the effect of budget policies in this regard but I think it is not unfair to tally up the results of tariff changes made in the aggregate in these three budgets, and here they are. There have been 392 changes. Of those changes, 203 were simply formal changes of a mixed character. There have been 65 increases and 124 reductions. Hence, when the hon. member for Timmins talks about a trend under the present government toward high tariffs I say to you, Mr. Chairman, that he just does not know what he is talking about. He has not taken the trouble to inform himself as to the facts. When his leader last night talked about protectionism, again he was speaking not in accordance with the facts but in violation of the facts.

Mr. Regier: It is a question of the volumes involved, not the items.

Mr. Fleming (Eglinton): As to the volumes involved, may I say this. The matters involving larger volumes were those that were negotiated under GATT. They were those that were passed upon by the tariff board. Does the hon. member not believe that attention should be paid to the recommendations of tariff board? Does he not think that the countries concerned in the negotiations are perfectly competent to judge whether they are satisfied with the changes made? I therefore say that the facts are all against hon. members opposite in this regard.

Then the hon. member for Laurier surprised me very much indeed this afternoon when he talked about the export restrictions applied by the Japanese government on exports of certain commodities to Canada, including a number of textile products. It was at that point that I sought his leave to ask him a question. That leave he denied me. I wished to ask him whether he was opposed to the imposition by the Japanese government of these restraints on their exports of textiles to Canada. He did not give me the opportunity to ask that question, so he has his choice now. Either he disapproves the effort that has been made in discussions with the representatives of the Japanese government to seek such reasonable restraints against the flooding of the Canadian

market by exports into our market in concentrated form or he can, on the other hand, say that he approves those efforts, in which case I think he must withdraw what he had to say this afternoon or admit that he has changed his mind.

Mr. Chevrier: Will the hon. member permit me to reply?

Mr. Fleming (Eglinton): I shall be delighted to do so.

Mr. Chevrier: In so far as Japanese quotas are concerned I say to the minister that in my opinion that was not the way in which to protect the textile industry in this country or in Cornwall. The statement made by the Prime Minister in all the textile areas was quite clear, namely that the situation of dumping would be put an end to and would be stopped. That promise has not been carried out. My answer to the question of the Minister of Finance is this. The method which he adopted is not the one which should have been followed. If there was dumping, the one which should have been followed is the one which the Prime Minister himself said he was going to put into effect and which was never put into effect.

Mr. Fleming (Eglinton): Do I correctly understand the hon. member to say that the proper method by which to protect the textile operations in Cornwall, then, was to apply anti-dumping valuations?

Mr. Chevrier: I did not say that.

Mr. Fleming (Eglinton): Will the hon. member tell us what method he says should have been applied?

Mr. Chevrier: I am telling the minister that the Prime Minister made a statement in Cornwall. That statement was quite clear, namely that he would put an end to this dumping in the city of Cornwall and in other textile areas. I do not know what method he intended to use but he indicated that he would stop it in the same way as he stopped the dumping of agricultural products. That was not done.

Mr. Fleming (Eglinton): I ask the hon. member whether he wishes to say what method he, the hon. member for Laurier, would apply—

Mr. Chevrier: You are the government.

Mr. Fleming (Eglinton): —in order to protect—and that was the word he used, namely "protect"—the operations of those textile mills in Cornwall. I am asking him what he says would have been the proper method to apply.

Mr. Chevrier: I have repeatedly attacked the government because of a lack of policy which they have demonstrated with reference to dumping in the textile industry. I reply to the minister now by saying that he is in office or his government is in office, and that it is his responsibility to do away with that situation, not that of the opposition.

Mr. Fleming (Eglinton): Mr. Chairman, I have asked the hon. member a plain straightforward question and he has turned his back on it three times at least and has run right away from it.

Mr. Chevrier: The minister has the answer.

Mr. Fleming (Eglinton): I took my seat. I gave the hon. member an opportunity to tell me what he would say was the method by which protection should be extended to the textile mills in Cornwall and he still has not answered the question. He has run away from it as fast as his feet will carry him.

Mr. Pickersgill: You have run away from the Prime Minister's promise.

Mr. Fleming (Eglinton): The hon. member talked vaguely about dumping.

Mr. Pickersgill: It was the Prime Minister who talked vaguely about dumping.

Mr. Fleming (Eglinton): No, the Prime Minister did not talk vaguely about dumping. The hon. member for Laurier has now had his opportunity to say what he thought should have been done. He said something should have been done to protect the operations of the textile mills in Cornwall, but he cannot or will not tell us what that method is and he is running away from it.

Mr. Chevrier: The Prime Minister is running away from it.

Mr. Fleming (Eglinton): I will tell my hon. friend what has been done, and I will tell him what he and his associates have done to try to prevent the government from doing something salutary in this respect.

Mr. Chevrier: Let us hear that.

Mr. Fleming (Eglinton): The hon. member was one of those who sought to prevent the government obtaining at the hands of parliament in 1958 those measures that were asked for to strengthen the enforcement of the law against dumping.

Mr. Chevrier: And which you have never put into effect.

Mr. Fleming (Eglinton): He and his colleagues fought that legislation up hill and down dale.

Mr. Chevrier: We certainly did.

Mr. Fleming (Eglinton): The hon. member is talking out of both sides of his mouth this afternoon. He is talking as though there

were need of more rigorous anti-dumping measures, and yet he is one of those who sought to prevent the government from being given by parliament in 1958 powers that were needed to prevent the kind of dumping that had gone on under the Liberal administration.

Mr. Chevrier: Mr. Chairman, may I ask the minister a question?

Mr. Fleming (Eglinton): Let me finish my statement. He is going on this afternoon on the same tack, pretending on the one hand that he wishes to see textile production in Cornwall protected—he used that expression —but he will not come out and tell us what he would do.

Mr. Chevrier: I did not say any such thing.

Mr. Fleming (Eglinton): He has had the chance. He shows he is against anything in the way of tariff protection—

Mr. Pickersgill: He did not say that either.

Mr. Chevrier: On a point of order, Mr. Chairman; I made no such statement, because the textile industry in Cornwall exists no longer. It has been put out of business. The question I rose to ask the hon. minister is this: What effect have these tremendous and terrible anti-dumping regulations had upon the textile industry which existed at the time?

Mr. Pickersgill: And which has disappeared now.

Mr. Fleming (Eglinton): Mr. Chairman, there are several answers to that. The first one is that the neglect by the former Liberal government to take measures that should have been taken by them had gone so far at that time that it was not possible to save those industries in the time that was available to us.

Mr. Pickersgill: Then why did the Prime Minister promise to do it?

Mr. Fleming (Eglinton): This government has done everything that it could reasonably do under the circumstances.

Mr. Chevrier: It has done nothing.

Mr. Fleming (Eglinton): And what we did do was done in the face of unrelenting opposition, interference and delay on the part of the Liberal opposition. They tried to deny us the powers for which we asked in 1958 to deal with dumping, just as today they are trying to narrow down the powers of the government to deal with dumping.

In relation to the textile industry, we referred this matter to the tariff board at once in 1957, and in respect to the recommendations of the tariff board in its report we asked parliament to carry out those recommendations. When the very first one of them came before this house, hon. members opposite did everything in their power to prevent a very modest increase in the customs tariff on woollen fabrics being legislated in this house. They did their best to prevent that.

I did not expect the hon. member for Laurier to take this line this afternoon. I can understand the hon. member for Bonavista-Twillingate taking this line, because he is an unrepentant free trader, but I cannot understand a line like this being taken by the hon. member for Laurier, whose position has been, I have always understood, that of a protectionist when it comes to the textile industry. He laughs now. Apparently I have misunderstood him and he is another of the free traders of the Liberal party and does not mind seeing protection withdrawn from Canadian industries that cannot be competitive unless they are given the modest protection that is given to them. Then we have the position taken by the hon. member for Essex East when it comes to protection for the automobile industry.

So we have all categories over there in the opposition. We have members over there who can talk free trade; we have members over there who can talk high protection. It just depends which record you turn on at any particular moment.

I think I have reviewed the record in this respect that was put before the house last night and today by hon. members opposite in very distorted form. Now, if I may, I wish to conclude this part of my remarks with an observation about the position of this government in relation to trade in general.

I have referred to the way in which we have loyally observed the provisions of GATT under all circumstances. I think it is a matter of satisfaction that, far from there being retaliatory measures—as was suggested by the hon. member for Assiniboia last night in an utterly wild statement—the fact is that Canada's export trade has prospered under the present government. Our total external trade in 1960 was the greatest external trade ever carried on in the history of this country. Our exports were at an all-time high. There, in the facts, is the answer to these baseless assertions by hon. members opposite.

I think those persons in this country who are dependent upon industry for employment, and who in many cases are represented by ladies and gentlemen who are in Ottawa today taking part in the presentation of the case of organized labour for certain measures, will be interested in some of the things that were said last night by the hon. member

for Assiniboia, things that were said in the house this afternoon by the hon. member for Timmins and things that were said here by the hon. member for Laurier.

They will know perfectly well that it accords with the philosophy of those three gentlemen, and undoubtedly the parties that they represent, to deny this protection to Canadian workmen engaged in these industries. These hon. gentlemen would narrow down the interpretation of the words "of a class or kind made in Canada" and would thereby deprive those industries of a measure of protection that was intended to be extended to them by governments right down to 1950 before the process of erosion set in. Because on that matter depend jobs for Canadians. Hon. members opposite seem to be quite ready to overlook the fact that jobs are involved.

I said there were matters raised by the hon. member for Kenora-Rainy River with which I would deal. The hon. member asked last night about the interpretation to be given to three expressions that are to be found in the amendment.

The first of these was the expression "adequate facilities exist in Canada". In regard to that phrase, it is considered that there must be in Canada one or more manufacturers, or a combination thereof, who have the required installed manufacturing or producing equipment, coupled with the technical knowledge, required to make the goods in question.

The next question related to the expression "economic production". On this point I say that as costing data will not always be available when considering the status of custom-made goods in the light of this expression, each case—as I indicated yesterday—will have to be examined on its own merits. Factors such as mark-up realized by the manufacturer, and the laid down cost to the purchaser taking into account the incidence of duty based on the goods being regarded as "made" and proper valuation in accordance with the provisions of the Customs Act, must be taken into consideration.

The third phrase the hon. member asked about was "reasonable period of time". In so far as that phrase is concerned, a definite period may not be set without regard to the actual goods under review and the standard established by good business practice in the field involved. Proposed delivery dates in the instances where they are known may serve as a guide in this respect.

Mr. Benidickson: Mr. Chairman, may I ask the minister a question? I was just wondering from what document he was reading. Is it a draft of the regulations that we can follow?

Mr. Fleming (Eglinton): I am referring to my notes, Mr. Chairman. The word "reasonable" is not a new one to the hon. member. This is a standard of conduct that is being interpreted by tribunals every day with respect to all manner of questions. It is not a new concept by any means at all.

In conclusion, Mr. Chairman, I wish to deal with this subject that has been very tangled and confused by hon. members opposite, in relation to the function of the minister and the function of the tariff board under the proposed amendment.

I draw attention again to the two classes of goods that are contemplated by the amendment; first of all the custom-built according to specifications goods, and second the shelf goods. It is in clause 2, subclause 3, that we have reference to the decision of the minister. The clause reads:

> The decision of the minister will be final with respect to the following matters:
> (a) The normal Canadian consumption of the goods described in subsection (2).

Now the goods described in that subsection are shelf goods. So the minister is called on to make a simple determination as to what is the normal Canadian consumption of shelf goods, a matter which is not difficult at all. The clause continues:

> (b) whether goods are custom-made to specifications and whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

That is the only other point which the minister is clothed with power to decide under the terms of the proposed amendment.

Mr. Chevrier: That is the more important of the two.

Mr. Fleming (Eglinton): The power which is given to the minister is the power to decide into which of the two classifications the goods in question fall—are they custom-made according to specifications, on the one hand, or are they shelf goods. These are not difficult matters to determine at all. It is not a difficult question involving processes of law or legal determination for a minister to say, on the one hand, these are goods custom-made according to specification or, on the other hand, they are not of that class and are, accordingly, shelf goods.

Mr. Benidickson: Would the minister permit a question on that point?

Mr. Fleming (Eglinton): I am right in the middle of an explanation—

Mr. Benidickson: The minister has referred to subclause 3 where his decision is final with respect to the normal Canadian consumption of goods described in subclause 2. Would the hon. gentleman reconcile that with his statement yesterday, reported at page 1367 of *Hansard*, when he outlined three items which would still be eligible for appeal. Item (b) was the determination of the amount of Canadian production. Are we not talking of the same thing in this resolution?

Mr. Fleming (Eglinton): I think the hon. member has misapprehended what is involved here. On the one hand we are dealing with Canadian production. The other concept is that of Canadian consumption, and these are two different things.

I was in the middle of my explanation with respect to clause 3(b). I was pointing out that the other matter which arises for decision by the minister is whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time. These are all matters which are capable of decision in the light of statistical analysis. This is the sort of thing which is involved in decisions by government departments day after day. These are not matters of a nature which calls for judicial determination as related to questions of interpretation of words, or questions of law related to the interpretation of words in statutes. Therefore, these are eminently suitable matters for decision by the minister.

Jurisdiction in this form has very great advantages for the business community since it is possible for the minister to make quick decisions, whereas if those decisions were to be left to delay, those whose business it is or those whose interest might lie in delay could delay decisions on these simple questions for very long periods of time. As a matter of fact, through no fault on the part of the government department concerned, delays amounting to years have occurred in such situations. Therefore we are seeking this method of greatly improving the administration in this respect by putting simple decisions in relation to matters which are capable of relatively simple statistical determination into the hands of the minister for prompt decision.

Mr. Pickersgill: The usual argument for arbitrary power.

Mr. Crestohl: Would the minister permit a question? What is the definition which the hon. gentleman conceives under the clause which speaks of goods being custom-made to specifications? The minister did suggest that it referred to heavy machinery. If it is to be restricted to heavy machinery only, why does not the bill say that it is to be so restricted? Otherwise, the minister or the officials of his department will have to wrestle with a whole range of problems when they have to adjudicate on what is custom-made to specifications and I certainly would not wish to be an official of the department charged with the duty of wrestling with this definition. Perhaps the minister could clarify the position.

Mr. Fleming (Eglinton): I can assure the hon. member for Cartier that he will not be faced with the prospect which he fears and that he will not be called upon to make such decisions as an official of the department.

May I say that yesterday afternoon I gave illustrations of the type of goods to which this definition will normally apply. I do not anticipate the slightest difficulty in connection with these words, as to finding what are custom-made goods according to specifications. The hon. member knows what specifications are. He knows when goods are made up on a customer's order according to specifications. It is obvious that this relates to heavy machinery—quite heavy machinery —and the sort of thing, which is based on specifications; engineering specifications, for example.

Mr. Pickersgill: You say the same words over and over again.

Mr. Fleming (Eglinton): I hope the hon. member understands them, because they are relatively simple. If he does understand them, then he has grasped the point.

Mr. Crestohl: Textiles could be made to specifications.

Mr. Fleming (Eglinton): No, that is not the type of goods here—

Mr. Crestohl: Then why not say so?

Mr. Fleming (Eglinton): The textile goods that I know of would, I think, in all cases be shelf goods. Of course, the words "shelf goods" do not appear here. The hon. member will realize that what I have called shelf goods are the residue—all kinds of goods except those which are custom-made to specifications. Surely the phrase presents no difficulty. We would look for the order—something made up according to specifications. Engineering specifications would be a good example. Heavy machinery used in the manufacture of textile goods might be an example.

Mr. Crestohl: May I give an illustration to the minister which might help him clarify the situation a little. It is possible to order textile goods made in another country, requiring that this textile contain so many

squares to the inch, be of such and such a colour, or quality and so on. Those are specifications for custom-made textiles, according to our normal understanding of the English language. If the minister intends that only hard goods, machinery and equipment, should be covered, then I think the legislation should clearly say so.

Mr. Fleming (Eglinton): You can have shelf goods made up according to specification, but that does not make them custom-made goods according to specification.

An hon. Member: What is the difference?

Mr. Fleming (Eglinton): I can anticipate no problem in relation to determination here. I think the line of definition is drawn quite simply by this legislation.

Mr. Crestohl: What are custom-made goods, leaving aside the word "specifications"?

Mr. Fleming (Eglinton): Goods that are made up specially in response to a particular order.

Mr. Crestohl: That is correct. That could be the case with textiles, though.

Mr. Fleming (Eglinton): But this is a combination of the two things you have here. You have custom-made goods and, I stress this, the phrase "according to specifications".

Mr. Hellyer: May I ask the minister a question?

Mr. Fleming (Eglinton): May I finish dealing with one question at a time?

Mr. Hellyer: You have not dealt with it yet, but carry on.

Mr. Fleming (Eglinton): I do not see how I can with the hon. member contributing his interruptions.

The hon. member for Cartier talks about custom-built goods on the one hand and specifications on the other. Here there are the two requirements. It is the union of the two.

Mr. Hellyer: Will the minister permit me to direct this question to him. If I went to the United States and ordered some shirts to be made of a particular cloth to particular measurements to suit me, would those be custom-made goods?

Mr. Fleming (Eglinton): Those would not be custom-made goods according to specifications, Mr. Chairman.

Mr. Hellyer: With deference, Mr. Chairman, they are custom-made goods, made to specifications; so when are custom-made goods made to specifications not custom-made goods made to specifications?

Mr. Benidickson: No one can challenge the minister's interpretation.

The Chairman: Order. For the sake of orderly debate I would ask hon. members to put questions but not make a speech.

Mr. Hellyer: I asked a question which the minister made no attempt to answer.

Mr. Fleming (Eglinton): For the enlightenment of hon. members opposite, here is a declaration made by the tariff board in a case:

> The significance of much of the evidence and argument can be seen most clearly when related to certain facts which are not disputed concerning the building and installation of newsprint machines in Canada. Newsprint machines are not produced for stock. Each machine is made to order in accordance with detailed specifications agreed upon by manufacturer and user; it is seldom a precise duplicate of any other newsprint machine but normally it resembles several of them very closely. The building of a machine normally requires many months. In Canada production and consumption of newsprint machines have been very irregular; in some periods many machines have been installed, in others none.

It will be seen that this is the distinction that has been adopted in the legislation that is now before the committee. We are dealing here with goods—obviously machinery in large part—of a kind that is not sitting in stock. It is not produced for stock. It is made to order in accordance with detailed specifications agreed upon by manufacturer and user.

Mr. Hellyer: As would be the case with my shirts.

Mr. Fleming (Eglinton): Well, Mr. Chairman—

Mr. Hellyer: They are not from stock.

Mr. Fleming (Eglinton): The hon. member perhaps wears unique shirts.

Mr. Hellyer: The arms are a lot longer than yours.

Mr. Fleming (Eglinton): Yes.

Mr. MacEwan: With initials embroidered on the pocket?

Mr. Fleming (Eglinton): There are other parts of the anatomy than the arms which are of considerable importance in this context.

Mr. Hellyer: Some parts of yours are pretty thick.

Mr. Fleming (Eglinton): I suppose we are what God made each of us, but we are responsible for what we do with what He gave us, and the hon. member and I will have to leave it at that I suppose.

Mr. Hellyer: Passing the buck again.

Mr. Fleming (Eglinton): The hon. member talks about his shirts—

Mr. Matthews: He has lost his shirt.

Mr. Fleming (Eglinton): I would have thought that shirts would be an article carried in stock as a rule. Shirts can be produced for stock—

Mr. Hellyer: So can a machine.

Mr. Fleming (Eglinton): I do not think the hon. member is going to say that the shirts he wears are so unique as not to be capable of resemblance to other products of the same kind or that they are never carried in stock or that production is irregular. I would have thought that shirts were a staple commodity notwithstanding the fact that the hon. member, as he said, takes a very long arm.

I have been trying for some time to deal with this subject of tariff board jurisdiction and ministerial jurisdiction. I have dealt with the provisions of subclause 3 in relation to the power of the minister to make decisions and have pointed out the very limited nature of that power.

Let me conclude by reiterating what I said yesterday, that the regular existing appeal procedure to the tariff board remains open to importers with respect to these much more difficult and involved questions: (a) whether or not imported goods are of approximately the same class or kind as goods made in Canada; (b) the determination of the amount of Canadian production; and (c) whether or not the number of articles manufactured in Canada does in fact constitute a minimum of 10 per cent of normal Canadian production.

Mr. Pickersgill: Normal Canadian consumption.

Mr. Fleming (Eglinton): The suggestion that sweeping, arbitrary powers are supposed to be conferred upon the Minister of National Revenue is totally erroneous. That assertion completely falls to the ground.

Mr. Pickersgill: Just because the minister says so.

Mr. Fleming (Eglinton): Power is conferred upon the minister to make certain decisions with respect to matters that call for decision in the light of statistical data on matters that essentially call for swift decision, the kind that cannot be made in any other quarter than by the minister. Therefore we are presenting to the committee what is a very workable and sound proposal, one that in my respectful submission removes from the governor in council powers that the Liberal government conferred on the governor in council in 1936 and used all the remaining years that it was in office and we instead invite parliament to do the legislating.

The effect of this legislation so far as the function of the minister and the tariff board and the courts are concerned will be to preserve all that is desirable and necessary and helpful in relation to the right of appeal so that there may be no such thing as persons being denied their due rights by arbitrary decision, for the power of the minister to make decisions is confined to a narrow and proper field. This is a very workable scheme and will undoubtedly contribute very greatly to improved administration for the benefit of the business community.

Finally, Mr. Chairman, for the hon. member for Laurier to compare this legislation with the kind of legislation under debate in 1955 when I made certain observations about the arbitrary powers sought by the government of that day at the hands of parliament in relation to the Department of Defence Production is to try to compare day with night. That legislation sought arbitrary power—

Mr. Chevrier: We will show the minister.

Mr. Fleming (Eglinton): —that was so sweeping in its terms that the minister of defence production of that day, had he chosen to exercise those powers, could, as I said in that speech, have held the Canadian economy in his hands. He could have changed it. He could have introduced socialism overnight if he had chosen to do so, so sweeping were the powers. To compare those sweeping powers with the limited powers conferred here upon the minister—necessary powers to make decisions essential to the benefit of the business community, prompt decisions—is to compare day with night. Therefore, Mr. Chairman, we present this to the committee as sound, workable legislation without the arbitrary features in it that hon. members opposite think that they see in it but which do not exist in fact.

Mr. Winch: Mr. Chairman, I must admit I have found the debate this afternoon most confusing. Depending upon who is speaking, the Minister of Finance is either a saint or a sinner. I hope in the course of my questioning to find out if the hon. gentleman is a saint, a sinner or a combination of both.

Of all the important matters that come before this house I have always found and still find the question of tariffs one of the most complex and confusing. Because of that I have no hesitation in saying I do not consider myself an expert with respect to tariff policies. That being the case I shall not be dogmatic in anything I put forward. The reason I rise in my place is that I feel it is necessary for some of this confusion compounded to be cleared away. As one of the representatives of British Columbia in this House of Commons I feel it is my duty to draw the attention of the minister to those

fears which are being expressed in our province relative to the proposals he has placed before us.

I made reference a few moments ago to the possibility of the Minister of Finance being a saint or a sinner. From what I have heard thus far from industry in British Columbia it would be my conclusion that he is a sinner, and therefore it is of the utmost importance in our province, if the primary and the manufacturing industries have misinterpreted what will be the effect of the proposals of the Minister of Finance, to have the matter clarified. In the interests of British Columbia we must know whether there is a mistake in interpretation. If there is a mistake in interpretation, now is the time for the fears of the primary industry and the manufacturers of British Columbia to be cleared away.

This morning I received a lengthy communication from R. H. Ellison, executive vice president of Canadian Collieries Resources Limited. In the past few days I received, as I know the Minister of Finance has also, communications from C. B. Dunham, chairman of the British Columbia loggers association, W. R. Malpass, president of the truck loggers association, and R. T. Rose, general manager of the Vancouver board of trade. These men represent major industries and associations in British Columbia. In all of these letters to me, and in all of the copies of letters or telegrams sent to the Minister of Finance, there is general agreement that they are distinctly worried and fearful of the proposal regarding tariffs being placed before us at this time. I have arrived at a sort of conclusion now. If these big associations and organized industries have reached certain conclusions, then I think we should know from the Minister of Finance whether these conclusions are correct. If not, how did the economy in British Columbia go wrong?

According to the information from the executive vice president of Canadian Collieries Resources Limited, there is a strong feeling that any item which falls into the category of class or kind made in Canada, under the policy being enunciated by the minister, will be in this position. There will be an increase in the price to the consumer or user of between 15 per cent and 20 per cent. That is the reaction they have.

I was also supplied information relating to a statement made by Dr. Purdy, president of the British Columbia Electric Company Limited, to the effect that the turbine which they are to buy from the United Kingdom will increase in cost from $34 million to $39 million under one other proposal.

I get the impression that the fear of these people is that the major impact of this change will result in an increase in the cost of the tools of production. From the letters that I have received from the Vancouver board of trade, the manufacturers association, the loggers association, the Canadian Collieries Resources Limited and the truck loggers association, I have come to the conclusion that they have interpreted the proposal of the minister—I presume they have their economists, statisticians, experts and so on—to mean an increase in the basic cost of the tools of production. This, of course, is a matter of the utmost importance to British Columbia.

As a member of this house I am vitally concerned with the general good of all Canada. However, it is understandable that I am vitally and particularly concerned with the economy of British Columbia. When I hear from my people in British Columbia that this is going to mean a basic increase in the tools of production of the primary and resources industries of British Columbia it becomes a most serious problem. We all know—it has been pointed out by the Minister of Finance and others—that we are already facing difficulties of a competitive nature. I can say this definitely for British Columbia because of the problems we are facing. Anything which increases our cost of production places us in a most invidious and difficult position, in an attempt to produce for a competitive export market.

Not only do I want to express the problem with respect to establishing primary industry in this country, but to say this. If their interpretation and understanding of the problem is correct, then it most certainly is going to discourage to a great extent the possibility of the establishment of new industries in our province and the expansion of those already existing.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Winch: Mr. Chairman, at the dinner recess I was pointing out the fears which have been, and are still being expressed by the primary and manufacturing industries in British Columbia relative to their interpretation of the impact in that province of the proposals that have been set forth by the Minister of Finance. It has been pointed out to me during the dinner hour that this fear is being expressed only in British Columbia. If that is the case, then it is of the utmost importance that every measure be taken by

the Minister of Finance in this House of Commons to so explain his proposals that that fear may be alleviated.

However, I have also heard others in this house who do not come from British Columbia express similar fears. In addition, if I gather aright from what was said by the minister this afternoon, particularly in the latter part of his remarks, these proposals are in tune with GATT and in tune with our good neighbour policy with the United States. I do not find that to be the case. I should like to make a brief mention of a publication which is entitled, "Washington through Canadian Eyes". This publication is published privately and is circulated privately to Canadians. I should like to quote from the issue of January 17 of this year, and this is what it says:

> While the Canadian removal of tax incentives for American investment in Canada captured all the headlines in United States, it is the customs action on "class or kind" that really has shaken official Washington. Over at the commerce department, officials can become almost livid with anger in discussing this action which they feel endangers much of the U.S., machinery exports to Canada. The state department takes a less anxious view, but remains concerned, nevertheless. At commerce, you even hear talk about retaliation. And one other thing this Ottawa action has done is to provide more ammunition to the protectionists in the U.S. congress.

If the information which was published on January 17 by this publication "Washington through Canadian Eyes" is authoritative at all there is some concern in the United States about the proposed customs action, especially as it relates to the interpretation of class or kind. I quite understand why there might be concern in the United States if this action could interfere with exports. The anxiety which I have been trying to express, as it exists in British Columbia, relates to the possibility of an increase in the cost of the basic production machinery in British Columbia. The vast majority of production machinery is not produced in our province but has to be freighted in and the increase in cost of production machinery, whatever that may be, can be passed on only to the consumer.

As I mentioned previously, we already have enough difficulties in meeting the competition which faces British Columbia as an exporting province at existing prices without having any increase in our cost of production. I do not know whether they are livid in the commerce department in Washington, but I do say that according to the information sent to me, whether or not it is justified, the logging industry in British Columbia is pale with anxiety. If my memory serves me correctly, 54 cents out of every dollar of revenue the people of British Columbia receive comes from our forest resources. What affects the forest industry is, therefore, of the utmost significance to us. Both the B.C. loggers association and the truck loggers association are deeply concerned. Whether or not they have grounds for this concern, I am raising this matter now so we can hear from the Minister of Finance.

On January 13 of this year the B.C. loggers association informed me through a letter that the introduction by the Minister of Finance in his baby budget of matters having to do with goods of a class or kind not made in Canada is causing grave concern to the manufacturing end of the forest industry in the Pacific province. I can understand that because anything that could result in an additional tariff burden on the forest industry, dependent as we are in British Columbia on foreign markets and faced with competition as we are, is most vital. It was for that reason that on January 13 a telegram was sent to the Minister of Finance over the signature of the chairman of the B.C. loggers association and the president of the truck loggers association. Since a copy of this telegram was sent to me, I hope you will not mind if I read it. It reads as follows:

> The logging industry on this coast have noted with much concern that portion of Customs Tariff resolution *Hansard* page ten seventeen December twentieth. To us it would seem that benefits expected to accrue to one form of industry in Canada could be more than offset by harm to manufacturers of primary products dependent upon foreign markets for their existence. Crippling of the position of mills buying logs from the independent logger can only result in critical harm to his position. On behalf of the loggers represented by our associations we respectfully ask that the suggestion of the manufacturing branch of our industry be enacted as a part of the proposed legislation and that end-use items be provided for all phases of production and manufacture of wood products not now included in the four eleven series.

As this is a concise setting forth of the problem as viewed by those two associations in a telegram directed to the Minister of Finance I sincerely hope, that without my having to go into the matter in more detail on this particular phase, he will give us officially the answer to the anxieties therein expressed and will perhaps go further and make specific comment on the communication which I understand he received under date of January 27 from the Vancouver board of trade.

The Vancouver board of trade is made up of hundreds of the primary and secondary industries of the province of which I happen to have the honour of being one representative. They also express fears similar to those which I outlined to the committee as expressed by the executive vice president of Canadian Collieries Resources Limited and

the logging industry. In this the most recent letter they definitely express a vivid concern about the possible effect on our British Columbia industries primarily involved in export trade. The board of trade, which have research men and statisticians at their command, and the representatives of the major industries of our province in this letter have no hesitation in coming back to the problem, namely that an increase in the price of the production tools in our export industries would make it harder, if not impossible, for them to compete in world markets.

I was most interested in one of their recommendations to the Minister of Finance. I hope the minister will inform us whether he or his departmental officials have made a study of the recommendation of the board of trade for a change in part of the wording of the resolution he is presenting to the committee. As has already been expressed by hon. members who have previously spoken, the board of trade considers that the word "approximately" used in the phrase "goods approximately the same class or kind made in Canada" is capable of too broad an interpretation to be administered equitably. I know that the minister had something to say on this word "approximately" this afternoon but I hope he will enlarge upon what he said previously.

It has been suggested to the minister that in the wording he is recommending to the House of Commons he include some of the words he used in his budget speech. Those words are "goods which are similar in nature and purpose". It is felt by the Vancouver board of trade that these words could, with great advantage, be included.

I may say that I have gone over this matter three or four times and I believe that it reads like a good suggestion. I certainly would be most interested in hearing from the minister whether he can meet the request for the change as set forth by the board of trade. If this request were met, the proposed legislation would then read as follows:

2A. (1) for the purposes of this act, goods shall be deemed to be of a "class or kind" made or produced in Canada if

(a) in the case of goods other than goods custom-made to specifications, goods of the same class or kind, similar in nature and purpose, are made or produced in Canada.

This proposed change seems to meet some of the objections that have been raised in British Columbia.

Mr. Benidickson: In essence, the hon. member would leave out the word "approximately". Is that the idea?

Mr. Winch: Yes; and put in, after the words "same class or kind", the words "similar in nature and purpose". I think the minister would get away from a great deal of difficulty if this suggestion were accepted and I most sincerely commend it to him.

I do not think I need to continue at any greater length, Mr. Chairman. As I stated when I first rose to speak on this subject, to me the question of tariffs has always been a complicated and complex one; indeed it is so complicated, complex and confusing that I honestly admit that I find it difficult on many occasions to understand it. I therefore do not pretend to be an expert. However, as one of the representatives from British Columbia, having received all these communications and telegrams from responsible organizations of industry, both manufacturing and primary, and from such associations as the board of trade, I felt that it was my responsibility to bring the matter forward at this time and to say this to the Prime Minister and to those who maintain that there is no need for such fears or anxieties and that British Columbia apparently is the only province that feels this way. I hope the minister will be able to clarify the situation, and if what he says is correct, then put it in such a manner that there is understanding in British Columbia. If you do not do that, I am afraid that the complex will continue, something that is dangerous for our economy in the battle we now face and shall face in the months ahead, not only to maintain our industry in present production but to extend it in the way which is so necessary for the maintenance of our standard of living and in order to extend prosperity across the nation as well as to maintain it in British Columbia.

Mr. Campbell (Stormont): Mr. Chairman—

Mr. Fleming (Eglinton): Perhaps with the permission of the hon. member for Stormont I might deal with this matter that has been raised by the hon. member for Vancouver East.

Mr. Campbell (Stormont): Yes.

Mr. Fleming (Eglinton): It is a fact that we have had representations from, I believe, seven associations in British Columbia connected with the forest products industry. We have not had representations from similar organizations in other provinces. I think there have been just two other formal representations from the rest of Canada and they were both from importers.

The hon. member, of course, is perfectly justified in raising this question and I am glad to have an opportunity of dealing with

it. I hope I can convince him. As I have said to those organizations which made the representations from British Columbia, I think their fears are based on an assumption and I do not think the assumption is warranted. In general I think their fears have been greatly exaggerated.

I shall be glad now to give to the committee and to the hon. member the substance of the views that have been conveyed to these associations. The concern which they have expressed is to the effect that there will be a material increase resulting in the cost of machinery and tools of production used in their operations, and thus their position in relation to export sales will be weakened.

I would like to suggest first of all that the forest industries may be divided into three phases, logging, saw mill and manufacture of wood products. The tariff accords special treatment under the nominee items which do not have any "class or kind" limitation for most machinery and equipment which enters to any important degree into the direct cost of production of logging and of saw mill operations.

Machinery and equipment for use in the operation of logging is provided for in tariff item 411a at rates of 10 per cent B.P. and 12½ per cent m.f.n. Machinery used up to but not including the planing operation in saw mills is provided for in tariff item 411, also at rates of 10 per cent B.P. and 12½ per cent m.f.n. Item 411b provides for cylinder stave saws, wheel type stave jointers and crozing and chamfering machinery at rates of 10 per cent B.P. and 15 per cent m.f.n. The proposed amendment will not, and indeed could not affect these tariff items as they are not "class or kind" items at all.

The third phase of the forest industries, the manufacture of woods products, encompasses a multiplicity of products which for the most part do not enter in any important degree into the Canadian export trade. Machinery and tools required for the production of these products, with the exception of those used in the production of plywood and veneers, generally are classified under the so-called "basket" machinery items. These are items 427 and 427a in the tariff. These are "class or kind" items and depending upon the "made in Canada" status of the machinery it is classified under tariff item 427a, if it is not made in Canada, at rates of free B.P. and 7½ per cent m.f.n.; or under item 427, if made in Canada, at rates of 10 per cent B.P. and 22½ per cent m.f.n. Such machinery could be affected by new rulings on this subject of class or kind made in Canada under the proposed amendment.

Machines for the manufacture of veneers and plywoods are provided for in item 427f at rates of free B.P. and 7½ per cent m.f.n. Veneer drying machines are provided for in item 426b at rates of 5 per cent under both B.P. and m.f.n. regardless of whether they are of a class or kind made in Canada.

I think, therefore, that the concern which has been expressed by these various associations in British Columbia is greatly exaggerated. It follows, I think, from what I have said that to a limited extent new rulings in relation to the question of whether goods are of a class or kind made in Canada may affect the industry. Their effects will be confined largely to those branches which produce predominantly for the home market in Canada rather than for export. Any industry producing for the home market has of course a real interest in the prosperity of that market and stands to gain indirectly from measures taken to safeguard or increase the well-being of other sectors of the market.

I do wish to say that a number of hon. members of the house have spoken to me or communicated with me in regard to this same matter. The hon. member for Nanaimo and Comox-Alberni have been much interested in this question, and other members also have made their representations. The hon. member for Okanagan Boundary and Okanagan-Revelstoke have also communicated with me in regard to this matter. Thus I have had an opportunity of conveying to these hon. members the explanation that the hon. member's question has now given me an opportunity to give to the committee this evening.

In a word, as I indicated at the outset, I think the fears expressed by these associations are based on an assumption. I personally do not think the assumption is warranted and I am happy to say, for that reason, that I think the fears they have expressed are very greatly exaggerated.

Mr. Winch: Mr. Chairman, could I ask the minister to comment on the proposed change of the Vancouver board of trade to the definition of "class or kind".

Mr. Fleming (Eglinton): Yes, Mr. Chairman, I am glad the hon. member has reminded me of that. Various wordings were considered when the decision was taken to put the legislation forward in this form. On careful consideration it was considered that the word "approximately" was the best word to use under all the circumstances here, rather than such words as were suggested by the board of trade, namely "similar in nature or purpose".

I point out that words like "similar in nature or purpose" would open up an entirely new realm. It should not be thought, I think, by those who put this suggestion

forward that they are putting forward something that would be more restrictive than the word "approximately". As a matter of fact, having regard to the fact that the word "or" is used in this expression "similar in nature or purpose," there is very good reason for thinking that the word "approximately" is more restrictive than would be the words suggested by the board of trade.

After all, goods could be similar in purpose without being similar in nature and this kind of expression would take us, I think, pretty far afield. So I think that while the hon. member considered that the words that were being suggested by the board of trade were more restrictive in their effect than the language proposed in the amendment, I would have to take a contrary view.

Mr. Campbell (Stormont): Mr. Chairman, my remarks this evening will be brief. I must say that I was extremely touched by the solicitude of the hon. member for Laurier, who spoke before dinner, regarding Canadian Cottons and the constituency of Stormont, more particularly Cornwall. I am especially touched by this solicitude because this industry of Canadian Cottons is one which he and his colleagues had neglected for 22 years, and the constituency of Stormont is one which he himself abandoned. I regret that the hon. member is not in his seat at the moment. I had the pleasure of sharing a very delightful occasion with him a few minutes ago. We were both at a reception by the Montreal Trust, but I regret that he has not yet returned.

I believe that the hon. member for Laurier, my predecessor, is having a death bed repentance in the same way the Liberal party at their recent convention had a deathbed repentance. That is the only explanation of the fact that they promised everything that they neglected to do for the previous 22 years. I think it is also significant that my hon. predecessor ran away from the question of the Minister of Finance. Time and again the Minister of Finance reiterated the question: what would you do? In each case the hon. gentleman evaded giving a direct answer. I think it is very significant that he abandoned committing himself in the same way that he abandoned Cornwall after he had abandoned the Cornwall canal to the Americans.

I would like to confirm what the Minister of Finance has said, namely that Canadian Cottons, which I know very well and where I had so many friends working, because of 22 years of neglect by the hon. member for Laurier and his colleagues, has disappeared, before even the very salutary action taken by this government to reverse the situation could take effect as it has done with regard to so many other textile firms in this country. The former employers, the former workers and the former union men in my constituency will never forget the attitude of my predecessor and, more especially, of his colleague the late Mr. C. D. Howe who was of the opinion that this textile industry was obsolete and expendable. He made that opinion very clear indeed. These people will never forget that, nor will they forget the obstructionism and delaying tactics on the part of the present official opposition—I would hate to call it the effective opposition—to this present constructive measure now being brought in to assist and protect the hard beset manufacturers in this country and, in turn, provide so many more jobs for our people while at the same time not interfering with our obligations under GATT or the export trade of the rest of the country.

In closing, there are a few other things I wish to say. I referred a few minutes ago to abandonment. I understand that many people in Quebec are referring to my predecessor as a refugee from Cornwall. Furthermore, many of his former friends, who know him far better than I know him, have been going so far as to regard him as a renegade. Again, in closing, let me pay a tribute to the people of Stormont who have snatched victory out of defeat. They have made the best of a bad situation. They have taken these cotton mill buildings and formed a limited dividend company, a development company. In these buildings they have almost a million square feet of floor space to rent at advantageous rates in order to attract new industries to this area. There is no greater bargain in this whole country for any new industry than our people have provided in Stormont, and I predict that very shortly this enterprise will bear fruit. Let me say that the imagination and enterprise of these people in Stormont and of my constituents in Cornwall is unprecedented and that it has set an example to all the people of this country. Ever since 1812, as I have reiterated in this house, when our people of Cornwall commenced the construction of the Cornwall canal—

The Deputy Speaker: Order. May I remind the hon. member that we are discussing a resolution concerning the Customs Tariff. I notice that in his speech the hon. member has made many references which are not relevant.

Mr. Campbell (Stormont): I was just referring to the commendable way in which my constituents have reacted to the difficulties created by my predecessor and his colleagues because of their customs policy. But, let me say, because of this fallacious, this iniquitous, this unwarranted, doctrinaire, free trade

policy which has been such a disaster to this country and which has placed us in our present difficulties; because of this and also because of the loss of the Cornwall canal to which I referred earlier, Cornwall, my home town and my predecessor's town, was stranded high and dry like a gasping whale on a rocky shore left dry by the receding tide of Liberalism, but because of the provision of $400,000 for a new harbour and the great tide of legislation which this government has brought in, once again Cornwall is afloat and once again it will find itself in the position it deserves and enjoying the prosperity to which it has been accustomed.

Mr. Pickersgill: I should just like a moment in which to reply to the insinuations made by the hon. member who has just taken his seat in the course of the high-minded speech he delivered about the hon. member for Laurier. I think the committee ought to know that the hon. member for Laurier is at a meeting this evening of the University of Ottawa, his alma mater, having to do with the expansion of that institution. That is the only reason my hon. friend is not here tonight.

Mr. Campbell (Stormont): The hon. member for Laurier had no hesitation about referring to my constituency when I was in conference with members of the Canadian Catholic Federation of Labour this afternoon.

Mr. Nowlan: I, myself, unfortunately had to be out of the house this afternoon for the same reasons as the hon. member for Laurier and the hon. member for Stormont. I, too, had appointments which prevented my being here, so I did not have the opportunity of hearing all the debate. It may be, therefore, that for a minute or two I shall be dealing with straw which has already been threshed. But having had reports sent me of what has been said during the debate so far, I know there has been some criticism raised of the fact that apparently the Minister of National Revenue, who happens for the moment to be the person standing in front of you, has power to decide this and to decide that. Apparently some hon. members believe that is a most iniquitous position in which any minister could be placed, that it is a regression to the days of R. B. Bennett, and all the other cliches with which hon. members opposite try to appeal to the house sometimes when they are entirely devoid of arguments.

There is nothing new about the fact that the Minister of National Revenue has power to decide this, that and the other. I have not had time to check carefully the Customs Act, but I have gone over it in the last few minutes—

[Mr. Campbell (Stormont).]

Mr. McIlraith: It is the Customs Tariff with which we are dealing; that is the act which is before us.

Mr. Nowlan: The Customs Act is also one which I administer. The Customs Tariff is the one which falls in the province of the Minister of Finance. Take, for example, that section of the Customs Act which deals with valuations for duty. It is clearly set out that where the valuation for duty cannot be determined under certain preceding sections—and there are five of them—the value for duty of goods shall be of such value as the minister may determine. Mr. Chairman, believe it or not, this statute was not brought in in 1958 in the amendment to which the hon. gentleman from time to time refers; this amendment was brought in under the benign Liberal leadership of that great patron leader of Canada, Right Hon. William Lyon Mackenzie King, and therefore that power must be sacrosanct, the fact that the minister when he brought in legislation could be endowed with such power—

Mr. Crestohl: It was not frozen as final.

Mr. Nowlan: It is final. This is final. There is no appeal provided in the sections from which I am reading. I am not reading sections relating to class or kind. I direct the attention of hon. members to subsection 11, under which the minister may reduce the value for duty and so on. I invite hon. members to turn to subsection 12 under which it may be found that the minister may fix the value. I direct the attention of the committee to section 38, subsections 1, 2 and 3 under which there is reference to the same power. If one had time I am sure one could go on and give other examples.

All I am saying is that there has been recognized for years and years in the administration of the Customs Act and in the administration of the Customs Tariff for which I am responsible, that there must be decisions made with fairness, with equity and with some degree of celerity and speed. You cannot hold goods in a warehouse for anywhere from six to nine months when an importer is awaiting delivery of those goods until someone makes up his mind and reference of the matter is made to various officers and so on. In simple, elementary but practical things, the Minister of National Revenue has been endowed with power under previous governments.

I referred to the Right Hon. William Lyon Mackenzie King. Frankly that provision may well have been in existence before he became prime minister. It has been on the statute books for a long while. I am simply stating it as a recognized principle. There is nothing

to which one could take exception in the fact that the Minister of National Revenue has the power to do this or that.

To hear some of the discussion this afternoon and yesterday one would think that class or kind legislation was something new, a departure from past practices, an iniquitous conception, something which this Tory government seeks to bring into the house hankering back to the days of R. B. Bennett. Class or kind legislation was in effect when I became minister and has been in effect, indeed, for many years. The history of this legislation has been referred to in this debate. It is well known that it extends back over decades.

Scarcely a week goes by but that the Minister of National Revenue makes rulings with respect to class or kind. I made three last week and indeed I make them all the time. When I say that, I do not mean I make one every hour. Perhaps days or a week will go by without my making one and then perhaps in the period of one day I will make three or four.

Mr. Benidickson: Would the minister permit a question? Would he indicate to the committee what change is proposed in this resolution vis-à-vis the previously existing conception, particularly when it involves the Liberal administration, that in so far as class or kind made in Canada is concerned the question of substantial production in Canada has a bearing?

Mr. Nowlan: Under the order in council to which reference was made by my colleague when he opened this debate it has always involved 10 per cent production of those goods of a class or kind made in Canada. That has been the provision for many years.

Mr. Fleming (Eglinton): For 25 years.

Mr. McIlraith: Since 1936.

Mr. Nowlan: My friend the hon. member for Ottawa West says since 1936. It was at that time the order in council was passed.

Mr. Benidickson: It did not prevail under the Bennett regime.

Mr. Nowlan: No. My hon. friends opposite love to refer to R. B. Bennett and the terrible things that will happen if this legislalation is enacted. Personally I have no fear of returning from time to time to the regime of R. B. Bennett. At least, one could find there some integrity and determination and various qualities which perhaps have not been entirely predominant in the regimes which immediately followed the Bennett regime.

My hon. friends opposite see shadows and ghosts. I believe that you, Mr. Chairman, were in the Chair two years ago when we brought in amendments to the Customs Tariff and were told that we would raise the tariffs as high as Haman's gallows. On that occasion the shadow of R. B. Bennett was walking the floor, the hon. member for Bonavista-Twillingate was almost in hysterics thinking about what would happen in respect to it—

Mr. Bell (Carleton): That is a daily occurrence.

Mr. Nowlan: —but, as we see, the world has gone on very nicely ever since. I refer my hon. friends opposite to a quotation which I vaguely remembered from having attended Sunday school. I checked the scriptures tonight and I think this quotation might be offered as a timely word of advice to hon. gentlemen opposite who never have anything realistic to deal with and therefore always have to deal with imagination and ghosts and things which they fear may happen. Before they go to bed tonight I urge hon. gentlemen opposite to read the thirteenth verse of chapter 18 of Proverbs, according to which they will find that:

> He that answereth a matter before he heareth it, it is folly and shame unto him.

I suggest that my hon. friends stop answering these things before they hear them because it is a shame and a folly and it is above all a shameful waste of time to have a debate on such imaginary and dreadful things as they conjure up before us without any foundation in reality whatever.

With respect to class or kind and the rulings made by the minister from time to time, it is true that there is some technical differentiation—or will be if this amendment is approved by the house—in relation to the matter of appeals. Substantially, however, the appeal procedure is exactly the same. I observe that the hon. member for Bonavista-Twillingate shakes his head. I will tell the hon. gentleman how realistically this matter is approached. How many appeals have we had? What is there of which we may be deprived?

Mr. Benidickson: What about the right?

Mr. Nowlan: Hon. members opposite are not being deprived of anything because the only matter with respect to which the minister can make a determination under the proposed legislation are substantially statistical information which is available to the dominion bureau of statistics in any event and is a matter of commonsense computation and nothing else. In any event, whatever the appeals may have been, I find that going back over the last 10 or 15 years there have been seven appeals made on seven different rulings.

Mr. Pickersgill: That is all the erosion amounts to, then?

Mr. Nowlan: There also have been several appeals made of one ruling and several of another. The hon. member talks about erosion—

Mr. Pickersgill: It was the Minister of Finance who talked about erosion.

Mr. Nowlan: My hon. friend says that the Minister of Finance spoke about erosion. Another hon. member asks: Why do you bring this in? I did not hear the debate this afternoon or last night.

Mr. Hellyer: The minister is not following his own advice now. He is answering without having heard it.

Mr. Nowlan: I did not hear the remark made by the hon. member for Trinity. I believe he was worried this afternoon about having his shirts made to order. Well, my arm is longer than his, so I am faced with exactly the same problem he is and I buy my shirts in Canada—

Some hon. Members: Hear, hear.

Mr. Nowlan: —so the hon. gentleman need not worry about the class or kind ruling.

Mr. Hellyer: I buy my shirts in Canada, too.

Mr. Nowlan: I am sure the hon. member does. He would never be elected in Toronto if he did not.

My hon. friends talk about erosion and class or kind rulings. Here is one example the minister gave in respect to a famous case relating to the manufacture of car wheels. One had a spindle which was perpendicular. The wheel went around the perpendicular spindle and the centre was cut out into which the axle went. It was held by the department to be of a class or kind made in Canada. Another was imported and it was a horizontal spindle and the wheel went around in the fashion I now describe with my hands. The tariff board said it was of a class or kind not made in Canada. That is an example of class or kind and of erosion.

Let us take the case of the shovel. We were making power shovels in this country of two cubic yard capacity. The plant was there and they were producing them all the time. They had the machinery, equipment, experience, men and the orders for shovels of a capacity of two cubic yards. Then shovels of a two and a half yard capacity came in from a foreign source. There was an appeal. The tariff board said despite the fact that there were men who were out of a job, despite the fact that there was the plant, equipment and experience, that two and a half yard shovels were not of a class or kind made in Canada. That is a class or kind ruling. That is an example of erosion. That is the shovel case. If my hon. friend wants the reference I can give it to him.

Mr. McIlraith: I have the judgment upstairs.

Mr. Nowlan: It is appeal No. 306. The decision was given on May 20, 1954. Then, there is the ballbearing case and the .22 rifle case. In one case, if it was fed manually, it was of a class or kind. If there was a little attachment to it, it was not of a class or kind. It was because of decisions such as these that we have introduced the legislation. I could go on, but I am not going to bore the committee by giving the cases. There have been others since 1949, but without questioning the judgment, the whim or whatever the philosophy of the persons who were writing these decisions, the fact remains that from 1949 and 1950 there has been a complete erosion of the principle of class or kind. Surely, Mr. Chairman, when you get a shovel which has a capacity of two yards and another one with a capacity of two and a half yards, both powered in the same way, both manufactured in the same way, both performing in the same way, you cannot say that one is a different class because it happens to have a half yard more capacity. It is not identical and that is why we used the word "approximately" to cover such cases as those I have mentioned.

I could go on, Mr. Chairman. But I think there has been a great deal of misapprehension, which my colleague has cleared up, in talking about this matter, as though this were something revolutionary, something new. It is new in so far as goods made to order are concerned, and for the moment I am not dealing with that. This is a matter which we can discuss later on, as the committee desires. But I am dealing just now with goods of a class or kind which are made in Canada. It is because of this erosion, because of the things which have happened, which I am certain was never the intention of parliament when parliament enacted the statutes, that we have introduced this legislation.

It was never the intention of the various Liberal ministers of finance—and when I say "Liberal" I mean Liberal with a capital "L"—under the Liberal regime and the various ministers of national revenue that this statute would be applied in that way. All we are trying to do is to restore what in our opinion was the intention of parliament when it passed this legislation. We are not going back to the days of R. B. Bennett; we are simply going back to the practices which were pursued, and I think properly so, by the

government of Mr. Mackenzie King, and those associated with him, up until at least 1950.

There are other things I could say about this, but I think we have at least cleared away the background in so far as I am concerned because I have had pretty close experience with this now for almost four years. I could have checked it; I did not have time to do that, but I have given score of rulings. As industry changes, as we move ahead, for instance, in the plastics field today and in the field of drugs—and there are a score of fields —we make class or kind rulings very frequently. I make many a year, and very often several a week.

My friend from Vancouver East was talking about the lumber business and quite properly what this might do to that industry. I think my colleague replied to that effectively and fully. This also might be said. In that industry you are dealing not with machinery made to order, generally speaking, I would think, but with saws and planes and with production machines. Generally speaking, you order this material from a factory.

Mr. McIlraith: Oh.

Mr. Nowlan: My hon. friend says "oh". I think that is right. I have had some experience in the lumbering business. Generally speaking, it is a different thing entirely from manufacturing, shall we say, a generator or a turbine generator, which takes two years to build and is built to a new specification. You buy your equipment. It is true there are variations in size and so forth, but generally they are of a class or kind which can be manufactured and supplied within 48 hours, or a week after the order. If there is a class or kind situation there the rulings must have been given before. Many of those machines which are used in that industry undoubtedly have had a class or kind ruling. Therefore, there is going to be no change under this legislation unless, of course, some new machine is developed which has not been envisaged so far, and on which there could be substantial manufacture developed in Canada.

All I am saying, Mr. Chairman, is that we should look at this realistically. This is nothing new. This is no attempt to raise tariffs, or anything of that kind; it is simply, in so far as this phase is concerned, class or kind of goods made in Canada. It is simply an attempt to restore the law to the situation in which it was, and the reason for that is the attrition which has taken place and which has had the effect to quite an extent, shall I say, of weakening the position of Canadian industries.

As I said, when you cannot tell whether when you have a shovel which is two yards and another one which is two and a half yards, that one is of a class or kind and the other is not, you are really working on an even more theoretical position than the fears of my hon. friends opposite in dealing with this situation tonight.

When you come to those goods made to order, I could say something on that because of the experience we have had—

Mr. Pickersgill: Before the minister goes on with that—

Mr. Nowlan: I do not intend to.

Mr. Pickersgill: —I have one question I should like to ask. Why does the government now consider it is necessary to take away from the tariff board the capacity to decide on an appeal what the normal Canadian consumption of the goods is? That is the question I ask the minister. The minister says no change is being made, but this is a very substantial change. Our argument is that no effective adjudication can be made at all if one of the questions of fact is decided finally by the minister and cannot be considered in the appeal. That is a change in the law, abolishing the right of appeal.

Mr. Nowlan: It is very largely statistical information which you can get from the bureau of statistics in five minutes by calling them up. There can be no question of the argument—

Mr. Pickersgill: Then, there is no reason why the tariff board should not decide that.

Mr. Nowlan: Because we do not want a period of six months or a year to elapse on an appeal on something which has no merit whatsoever.

Mr. Pickersgill: An appeal can be taken anyway.

Mr. Nowlan: An appeal can be taken on substantial grounds. Undoubtedly, my colleague has enumerated the grounds on which an appeal can be taken, and I am not going into that.

Where does the tariff board get the information? They usually get it from the Department of National Revenue. The departmental officials are in contact with the manufacturers, shall we say, on how many automobiles or buck saws, or whatever it may be, are manufactured. We phone them and they say, how many saws were produced by the firm last year. We can get that information in an hour or so.

Mr. Pickersgill: What about consumption?

Mr. Nowlan: There is nothing of merit whatsoever in this. It is simply a figment of the imagination where somebody is trying to draw a red herring across the path because they do not understand how this thing works.

Mr. Pickersgill: An all wise government.

Mr. Nowlan: They are trying to justify something for which there is no justification whatsoever.

Mr. McIlraith: Hon. members in the chamber must be grateful to the Minister of National Revenue for his quotation from Proverbs. It was much the most apt description I have heard or could think of, to describe the arguments of the Minister of Finance in putting forward this resolution for the consideration of the house. Certainly, there is nothing that I can think of that is more apt to describe the presentation of the Minister of Finance today.

In any event, the minister went on to say there is no attempt in this legislation to raise tariffs. Then, if he is to be logical, he ought to withdraw the legislation and not take up the time of the chamber.

Mr. Bell (Carleton): That is sophistry.

Mr. McIlraith: The sole purpose of the legislation, according to the minister, is to redefine the meaning of certain phrases in usage in the Customs Tariff so that what the minister and the government apparently thought was the former rate of tariff which has been eroded, if I may use the word of the Minister of Finance, is put back to where it was more than 10 years ago. In other words, what he is asking the committee to do is to raise the tariff by adopting this legislation. I do not know why the opposition should be attacked for suggesting that that is the case because if it is not the case then the minister has no right to have this legislation before the committee at all.

Mr. Bell (Carleton): Will the hon. member permit a question?

Mr. McIlraith: Yes.

Mr. Bell (Carleton): Would the hon. gentleman say whether if goods are of a class or kind made in Canada they ought to deserve a margin of protection in excess of that given to goods of a class or kind not made in Canada?

Mr. McIlraith: The statement is very general, but as a general proposition and allowing for generalities, the answer is yes. But that is not the point. What I want to get at here is the use of the word "erosion" by the Minister of Finance. He bases his whole argument on the fact that the interpretation was eroded. When he was questioned a bit on it, it turns out he really means that the departmental officials' rulings were not upheld by the tariff board or the exchequer court, as the case may be. What he is saying, in effect although he will not say it directly, is that he feels the courts and the tariff board, the judicial tribunals dealing with this matter, have not applied the law laid down in the legislation and the orders in council. He does not say that. He does not freely disclose to the committee that it is a matter of the appeals having gone a different way from that which the departmental officials thought they should go.

That is certainly a valid position for him to take. Again, I do not understand why he was trying to present the matter in such a way as to lead one to the reasonable interpretation that the courts or other interpretative authorities have changed their rulings. They did not, in fact, change them. It was a matter of the appeal authorities having given rulings that were different from those which the departmental officials thought they should give. It seems to me that is the nub of his argument.

I think that to criticize tribunals who are doing their work and, so far as I am concerned, interpreting the law in a proper, legal way; to describe their judgments as an erosion of the law is not fair to these tribunals. I think that if the minister will reflect on it a bit he will agree that he ought not to leave the impression he was criticizing the judgments of the tariff board and the exchequer court in that way. I do not believe that is what he really intended. I hope he will clarify that because I would be very sorry to see him making that kind of criticism. I do not believe either body warrants it.

I, for one, am a bit mystified about the other legislation that is on the order paper having to do with increasing the number of members comprising the tariff board. I thought we had arrived at the period of development in this country when the tariff board should be increased in size because of the large volume of work it has to do. I am on record to that effect over a period of time, and I understand the government is doing that. The point I wish to make is that now that is being done what is it that makes the government so distrust having factual matters determined by the tariff board? What is it that makes them want to take away from the taxpayers of the country the right to appeal to this judicial tribunal? Why do they want this power vested in the minister? Arguments could have been advanced concerning the delays in the tariff board. But the purpose of increasing its numbers is to do away with delays.

The minister quoted a rather strange reference when he cited the Customs Act which is not before the committee as an example of arbitrary power given to the minister. Every section he quoted is carefully circumscribed.

In order to illustrate my point, I shall only refer to section 35, subsection 6, which says:

When the value for duty cannot be determined—

The whole premise upon which that section is based is that the value cannot be determined and it is, therefore, obvious that somebody has to exercise an arbitrary power. This arbitrary power was given to the minister. The Minister of National Revenue used that as an example of arbitrary powers such as might be used in this case without mentioning the fact that the use of the arbitrary power in this resolution may well be the means of taxing a citizen who would not otherwise be taxed, which is quite a different thing altogether. There is no such limiting premise in the resolution before us. If the minister will look at the provision he will see that it says the decision of the minister shall be final with respect to the following matters, and then there is a reference to these two matters which are of such a nature that they are the key to the whole decision in the case.

For instance, if the minister determines the normal Canadian consumption of the goods described, then the determination of the 10 per cent is a matter of arithmetic. Surely for the minister to suggest that an appeal to the tariff board is still valid on the 10 per cent factor is just a specious argument. Surely it is the minister's decision that is the essential point there. I would think that would be common ground, and I cannot see otherwise. Then the provision goes on to mention goods which are custom-made to specifications. I do not want to develop that because the minister did not develop it, and perhaps we can deal with it separately. I am quite frank to say I feel this is an improper use of the minister's power when he is put in a position to make this kind of decision.

I should like to make one other point. I made an interjection when the minister was dealing with the decision about saw mills, and the significance of the decision as to whether or not they were of a class or kind made in Canada. I want to point out to him that what he said may be true about saw mills in some parts of the country but not true about saw mills in other parts of the country. I think if he will examine the saw mill operations in this country he will find that what I say is right. I regret that I have not the decision in the power shovel case here, and it is some years since I have read it.

Mr. Nowlan: It was in 1954.

Mr. McIlraith: It is some years since I read it, but my recollection is that it is a very different case from the simple proposition put before this committee. It is a very much more complicated case based on a rather difficult set of facts. If the minister has the decision readily available I invite him to take another look at it because, although I put this forward with some hesitation, my recollection of it is quite different from the simple proposition he put forward.

I should like to point out to the minister what seems to me to be the difficulty running all through this discussion, that is the difficulty of generalizing in connection with a definition that has significance in a great number of tariff items, some items which really are of a nature that they relate to articles for final consumption as opposed to articles being imported for use in manufacturing. I should like, for a moment, to address my remarks to the significance of the change being made which applies to the kind of machinery and equipment that is brought in by persons intending to use it in the process of manufacturing articles that will be used in the final analysis by consumers who buy from the retail trade.

I want to limit my remarks at this point to that type of operation and I want to point out to the government that something here is being missed. We are in a situation in which I think it is common ground that all hon. members would wish our industry to be as competitive as possible. A good deal has been said about export trade. However, I want to deal with these articles where the final article is used internally in Canada and is not for export. Our competitive position is such that manufacturers in many other countries are able to compete more than favourably with us on price. Our costs must be a matter of concern to all hon. members, to the government as well as to the opposition. I think that is common ground.

This problem of the definition of class or kind as applied to machinery when it is imported has a significance that in many cases materially changes the rate of duty paid for imported machinery. In some cases the duty can be increased by as much as 22½ per cent. I think there are some such cases where it is that large and certainly there are many in which it is 17 per cent, 17½ per cent and in that area. There may be cases in which it is higher. I think I had one where is was 27½ per cent. In any event, there are cases in which the increase is in the area of 22½ per cent and 17½ per cent. That added duty on many machines used in production is an added cost of production. If these machines are of such a nature that they are used in making articles used by consumers from the retail trade, then this situation prevents manufacturers from getting started in some cases and in others it makes that shade of difference in the cost

which prevents their being able to compete favourably with regard to the retail article.

In that context I point out the bearing the cost of the manufacturer's machinery has on the final cost of the manufactured article. The real problem that I think should be decided with regard to that type of manufacturer is whether or not he should be assisted in bringing in the most up-to-date machinery he can get for production or to get into his plant the very last word—if I may use a slang phrase—in machinery for production. That should be our concern. If that is so, consistent with helping our own machinery manufacturers—

Mr. Bell (Carleton): Will the hon. member permit a question?

Mr. McIlraith: I will do so in just a moment, if I may be allowed to continue now. Any looseness of definition that is capable of permitting careless or arbitrary decisions that mean that, because of the price factor at that point, the manufacturer is going to have second best machinery or—perhaps I should not use the term "second best"—machinery that is not precisely suitable for the operation for which it is intended to be used has real adverse significance to our economy. I for one have no apology for expressing real concern about what I regard as the impropriety of the course being taken by the government in this proposed amendment. I refer to new sections 2A and 3. That is the nub of the proposition.

Mr. Nowlan: In what way?

Mr. McIlraith: I do not want to give references to particular companies. I think the minister will agree with me in that regard.

Mr. Bell (Carleton): Is the hon. gentleman not repudiating completely now what he said earlier in answer to a question I put to him?

Mr. McIlraith: Not a bit. That is the point the hon. member missed. That is why I am taking the time to try to clarify it. I think the hon. member completely missed the point in making a sweeping generalization or a broad generalization that was relative enough to off the shelf goods but which had no bearing at all on the disputed item.

Mr. Benidickson: The major item.

Mr. Nowlan: Is the hon. member referring to shelf goods?

Mr. McIlraith: No.

Mr. Nowlan: He is referring to the custom-made goods.

Mr. McIlraith: That is right, and other machinery used in manufacture. What I was suggesting was that the hon. member for Carleton, in his large generalization, was putting them in one basket and so on.

Mr. Benidickson: He ignored custom-made goods.

Mr. McIlraith: He was dealing with another kind. I think his question was a perfect example of the impropriety of making a sweeping generalization with regard to a subject which, by its very nature, must be particular and must be somewhat precisely dealt with.

Mr. Bell (Carleton): I have never seen such straddling of the fence as the hon. member is doing now.

Mr. McIlraith: I am not straddling the fence. I am expressing my views and I am prepared to defend them. I think the Minister of National Revenue is aware of the problem with which I am trying to deal. It is of real concern to the country in general and, I may suggest, to his area of the country in which I think it is the honest wish of all Canadians that there be more development of industry.

There is this proposition to be considered. When you get certain types of machines for use by manufacturers, on which they are dependent for a product to be manufactured, one particular machine with some slightly different characteristics may do the job at a rapid rate and extremely efficiently whereas another machine, which is remarkably similar but which perhaps does not have the same raise to it or does not have the swing characteristics to it, will not do the job efficiently. In one particular case I have in mind the difference in the duty was 22½ per cent. If the ruling in that case was in accordance with the definition in this resolution the result would be that the plant would not have been established. I am happy to say the decision was under the kind of rulings that the minister's colleague described as erosion. It was treated as of a class or kind not made in Canada and the plant is now in extremely successful operation.

I want to go a step further and point out this consideration. Depending on the product being manufactured, the cost of machinery for the manufacturing operation can have a large importance in the final cost of the articles being manufactured. That is where the difficulty lies in this problem. That is why I am concerned with what I regard as an extremely loose definition in this new legislation being offered to the committee and for which the resolution is being submitted now. I am rather concerned about it.

It is all very well for the minister to charge us with having fears of return to interpretations in former days of Prime Minister Bennett and so on. I do not want to rehash that

old ground. Admittedly there was a high tariff movement in those days and legislation was submitted directly for that purpose. I will not re-argue the merits of it now. After reading this legislation and having observed the minister's curious attitude in presenting it—I refer to the Minister of Finance—the only way in which I can assess it and size it up is this. I think it is an attempt to do indirectly the same sort of thing in that connection that was done in that other era directly.

Having said that I admit that there are difficulties in the interpretation of class or kind; I am prepared to admit that there may be some need for clarification in the light of experience over the years because the tariff has in it a great number of items and some sections of it can get into an area where there is a whole new technology and development and so on. So I am not saying there is no need for any legislation on the subject, but I am saying that, looking at this legislation, it is an attempt to do indirectly what the government is not willing to do directly and what it is wrong to do.

Mr. Benidickson: Mr. Chairman, before the minister speaks I would like to say a few words. I am very keenly interested in the minister's personal viewpoints when we are looking at a section that is giving him personally, as minister, something that he has not today, a personal discretion, a discretion that will not be open to review by the tariff board or subsequently by the courts. I am particularly impressed after hearing the hon. member for Vancouver East and, just now, the hon. member for Ottawa West. One can see immediately that the minister is taking on very vast responsibilities.

Knowing the location of his constituency, in an area of Canada that could perhaps expect its greatest economic advantages in the future to come from extractive industries, I know that in Nova Scotia there is a great interest in the forest industry, and so on. I want to know, before we get into the next stage of debate, something about the sympathies of this minister who is given this personal discretion. I want him to tell us about his sympathies before we are presented with a bill in this connection.

If he is faced with a problem as to perhaps the establishment of a new paper mill in Nova Scotia, how will he interpret this proposed new law? That is what I want to know. Will he perhaps say that he finds there is somewhere in Canada adequate facilities to produce paper mill machinery, because it is possible that as a result of that decision the cost of that machinery could conceivably rise from 7½ per cent to 22½ per cent on tariff alone. And we all know that anybody financing and purchasing this type of machinery expects a mark-up on their purchase after that.

We also know that if that machinery could be imported at a rate of 7½ per cent instead of 22½ per cent it might be encouraging to the promoters of this new industry in Nova Scotia. At 22½ per cent plus a mark-up on 22½ per cent for financing it might conceivably discourage the advancement of that new enterprise and production in Nova Scotia.

I think we should hear very clearly from the Minister of National Revenue, who under this proposed new law is to be given these wide powers, an indication of his leanings in this respect.

What kind of evidence is he going to seek as to whether adequate facilities exist in Canada? We had a rather vague explanation from the Minister of Finance as to what he would call a definition of "economic production in Canada". It was obvious that it involved expense to the purchaser of equipment of this kind and meant a very substantial advance in price.

Why does the Minister of National Revenue, as a member of the cabinet which approved this resolution, want to take personally this kind of responsibility that is beyond appeal to our tariff board and subsequently to the exchequer court or higher courts of this land?

I think that before we proceed further we should have from the minister who is going to administer this particular section an indication of what his preferences are likely to be when faced with a direct conflict between the needs of primary production in this country which must ultimately sell its product in a highly competitive world and perhaps demands that will be made upon him by some industry which might be able to sell the minister—if they are not producing it now—on the idea that they have adequate facilities.

Again, I am not satisfied on this matter of "economic production". Then I am still not satisfied that manufacturers might be able to produce these goods within "a reasonable period of time". I think this is a perfect example of the opportunity that is provided at this stage of the debate for the minister to share his thinking with his colleagues in the committee on how he would deal with some of these problems.

In addition, Mr. Chairman, I wish to raise another question which I think has not yet been raised in our discussion on this resolution. It may not be generally known in connection with the "class or kind made in

Canada" regulations—which are the essence of the statutory revision before us at the moment—that this developed in a very clear way in 1936 when Canada decided to enter into a broader trade agreement with the United States.

At that time this became of the essence in our good relationships with the United States. Even prior to the opportunity for parliament to rectify some of the offensive restrictions that had developed during the Bennett regime prior to 1936, when we were entering into new faith with the United States on a broader range of trade, there were certain stipulations. One of those stipulations was set out in a letter dated November 15, 1935, on the very day this new trade agreement was signed. It reads as follows:

> In interpreting the words "of a class or kind made or produced in Canada", provision will be made to make it clear that the phrase "made or produced in Canada" in this context means "made or produced in Canada in commercial quantities" and arrangements will be made—

This was a pledge of our embassy at that time:

> —for giving adequate notice of the transfer, for customs purposes, of a product from the category "not of a class or kind made or produced in Canada" to the category "of a class or kind made or produced in Canada".

We know that to a tremendous degree our international trade depends upon working out proper arrangements with the country to the south of us. We know that the Minister of Finance, not only in his budget speech of March last but in his so-called baby budget of December 20 expressed some alarm that in this area there might be some risk of a diminution of our over-all volume of trade. The minister did indicate on December 20 and again yesterday, in his remarks in connection with the Customs Tariff Act ... Incidentally, I should point out to the minister, who is a meticulous man himself, that as he would be the first to agree we should really refer in our pamphlet to the Customs Tariff Act. The word "act" is not referred to there.

Mr. Fleming (Eglinton): No; the statute itself is called the Customs Tariff.

Mr. Benidickson: I know that in connection with income tax we say the Income Tax Act and I thought, when we look down and see in paragraph 1 that the said act would be amended, perhaps the word "act" should have appeared earlier in the resolution. However, I do not want to be diverted by what I describe as an incidental point.

The minister took great pains on December 20 and again yesterday to say that in his view at least technically, and from the point of view of language and phraseology, he felt he could stand as a very honest man in connection with any negotiations in which he was participating as a representative of Canada with respect to our GATT trade relationships. That may be, but before we proceed very far I should like to have some further up-to-date information as to the present status of our all too vital negotiations in connection with GATT which have been taking place since last fall and which, unfortunately, we learned from the well informed financial press are not proceeding very satisfactorily as far as Canada is concerned. We learn, even, that there may be a complete break-down as of now as a result of which we would lose all the background of four or five months negotiations in connection with GATT. I should like to know from the minister whether he can assure this committee that if such an event is to take place it in no way involves any feeling on the part of our co-partners in the GATT agreement with respect to such a vital item with regard to the redefinition of what is a "class or kind item" in connection with tariff negotiations.

To return to the question of our trade relations with the United States, I would like to refer the minister to a comment which was made by Mr. Tim Creery of the Southam News Service at the time when the government hinted, in the speech from the throne, that it was intended to bring in amendments to the Customs Act such as we now have before us. Mr. Creery, a reputable reporter who is, I believe, a mutual friend of the minister and myself, said, writing from Washington, that these proposed changes in the definition "made in Canada" for the purpose of the class or kind provisions were causing great concern in that capital. In fact, the headline of the article reads "Terrible Concern in Washington". Before we proceed too far in connection with this particular statutory endeavour I think the minister should indicate to what extent he has found the new definitions do, in fact, offend the nation with which we principally trade, and I think the hon. gentleman should give all members of the committee an indication whether any objections have in fact been received from the United States in this connection.

In preparation for yesterday's discussion, the minister very carefully prepared, in writing, and then read, certain definitions which I felt were required by the committee in connection with this legislation. "Reasonableness", "economic production" and so on were defined. I do not think the minister today did in similar fashion indicate what was to be his view or the view of his colleague, the Minister of National Revenue, when we

come to the word "approximately" which also would seem to be a key word in the resolution which is before us. I should like to draw this question again to the attention of the minister.

I spoke to the minister this afternoon indicating that I felt he had not answered the question I raised yesterday with respect to his assertion that it was obvious and clear that in the past ten years decisions of judicial bodies such as the tariff board, the exchequer court, the supreme court and so on had very patently led to an interpretation which was contrary to what the minister thought was the view of parliament. The Minister of National Revenue to a certain extent dealt with that tonight. I think this is basic to our discussion which involves an apparent need, as far as the ministry sees it, for something new in the definition of what is class or kind, made or not made or produced in Canada.

I think the minister should go beyond saying that there has been an obvious departure from what the minister says was everybody's idea of what parliament had in mind a little over ten years ago in connection with a definition in this respect. I think he should give us certain cases to illustrate those which in his opinion are responsible for bringing forward this change in the legislation. Naturally we shall say that if a ratification is required the ministry should not be afraid to bring forward that definition or bring it back if we are persuaded it is a bringing back and there was an original intention that has been subject to erosion by judicial decision that should be presented before the committee. We still insist that any new definition should still be subject to an appeal by the taxpayer above the minister to the tariff board and to the usual judicial procedure.

Mr. Nowlan: Mr. Chairman, the questions asked by the hon. member for Kenora-Rainy River are of a bifocal nature. In the beginning the hon. member referred some questions to me and later on referred some to my colleague, the Minister of Finance. I shall deal with only one or two.

There was a specific matter raised by the hon. member in the beginning. This is a very easy matter for me to deal with. It is not a complicated question, thank heaven, or I should not be able to deal with it. The hon. member was somewhat concerned about what might happen to a paper mill in Nova Scotia if this resolution passes.

Mr. Benidickson: Or in Kenora-Rainy River.

Mr. Nowlan: Or in Kenora-Rainy River. I am applying to the reference to Nova Scotia because the hon. member specifically referred to it and Nova Scotia is a province very close to my heart. My hon. friend was wondering what would happen to a paper mill there if I should make an unfortunate ruling with respect to paper making machinery which might prevent a Swedish firm spending the sum of approximately $40 million it plans to spend there. I have no problem in that regard and neither does the committee because paper making machinery and all incidentals, components, parts and everything in connection with it are economic, and therefore we can make no class or kind rulings. Therefore this will not affect machinery of that kind going into that plant. There are, of course, other machines with which I could deal but perhaps that answers the hon. member's questions.

Mr. Benidickson: Perhaps the minister was not in the committee when the Minister of Finance dealt specifically with paper making machinery. I must confess it occurred to me at the time that a year or two ago there was a change and that paper making machines would not any longer be within the 70 items that would be affected by the legislation now before us. However, I do not think that was made clear by the Minister of Finance and perhaps I did get a little off the track in that respect.

Mr. Nowlan: In any event, Mr. Chairman, this is covered by paragraph 427, subparagraph 6. That was a specific matter to which the hon. member directed my attention.

Again there were references to the Bennett regime and so on. In passing let me point out to the committee as I mentioned before that the made in Canada rulings—whatever may have been the merits or demerits of the Bennett regime—the great majority of these rulings were made between 1936 and 1939 at the outbreak of war. I do not have the exact proportion but a substantial majority of them were made in that interval. That was when the made in Canada pattern developed and that was under the benign leadership of that great Liberal about whom my hon. friend directly opposite has recently published a part of such an interesting biography.

I am sure the hon. gentleman will agree with me that such an apostle of Liberalism could not be guilty of anything wrong, that he would never be guilty of high tariff practices and that whatever he did must have been right. Therefore, the most that can be said for what we are trying to do is that we are attempting to restore again the vision which Mr. Mackenzie King had when he had

the made in Canada rulings enacted and which afterwards were eroded, subtracted from and diminished. I do not want to offend the delicate sensibilities of my friend the hon. member for Ottawa West in the terms I use. In any event, let me say that the original scope of these rulings have been substantially diminished. That is one reason —and I think perhaps the lesser reason; the other factor is that dealing with custom-made goods—why we are bringing forward this amendment tonight.

My friend the hon. member for Kenora-Rainy River asked me about my own personal feelings with respect to this amendment. I doubt if my personal views would be of very much interest to the committee. I hope I am broad-minded. I hope I am sympathetic. I also hope that I have done a reasonably good job in administering these rulings up till now. If Providence should ordain that I should continue in my present office for some time and continue to make these rulings I shall try to follow the pattern established in the past, which incidentally, I am told by those coming to the office, is very satisfactory and compares reasonably well with the practice which was followed prior to my succeeding to the office.

As far as the questions about GATT are concerned and the other queries raised by my hon. friend, I think perhaps I had better leave those to my colleague to answer because I know the Minister of Finance must have dealt with that subject to a certain extent earlier today. I am not sure how much ground my colleague covered and I prefer to leave those matters to him.

Mr. Fleming (Eglinton): Mr. Chairman, if I may deal with the balance of the questions asked by the hon. member for Kenora-Rainy River, first let me comment on the origin of the so-called 10 per cent rule. It was in November of 1935 that a note was sent by Canada to the United States. At the time of the signature of the 1935 Canada-United States trade agreement. That note contained a paragraph under which Canada undertook:

> —to make it clear that the phrase "made or produced in Canada" in this context means "made or produced in Canada in commercial quantities".

It was pursuant to that undertaking that the King government in the budget of 1936 introduced what is now subsection 10 of section 6 of the Customs Tariff.

Mr. Benidickson: That is the "substantial quantities" item for order in council, is it not?

Mr. Fleming (Eglinton): Yes. I referred this afternoon to the order in council of July 2, 1936, P.C.-1618, that was then promulgated in pursuance of the authority conferred by subsection 10 of section 6. The point to note is that the undertaking which was given to the United States by Canada in that note referred to "commercial quantities". Those are quoted words. This phrase was not defined. The decision to implement by the 10 per cent rule which is now to be found in subsection 10 of section 6 was a decision of the Canadian government of the day and this particular formula was never bound.

Mr. Benidickson: Mr. Chairman, would the minister assist me. My notes have gone to *Hansard*. Was it "commercial quantities" or "substantial quantities"?

Mr. Fleming (Eglinton): "Commercial quantities" were the words used in the note given by Canada to the United States. The expression used in section 6, subsection 10, is "substantial quantities".

Just to complete my comment, Mr. Chairman, I had just finished saying before dealing with that question that the particular formula was never bound. Moreover, I would say that the commitment contained in the note presumably expired when the 1935 trade agreement between Canada and the United States was superseded by later agreements. It was never incorporated in any subsequent agreement.

The next point raised by the hon. member concerned the United States. We have had discussions with representatives of the United States government on this subject. They were naturally curious to know what might be the effect of this legislation. There have been discussions and I think it may be said that the representatives of the United States government are continuing to follow this matter with interest.

Mr. Benidickson: I am sure they would.

Mr. Fleming (Eglinton): They have received the explanations that have been given to the committee yesterday and today, explanations that I am quite sure would satisfy any reasonable person.

The next point raised by the hon. member concerned the definition of the word "approximately". This is the key word in subclause (a) of the resolution. The primary purpose of the introduction of this word is to change the concept that goods to be of a class or kind must be virtually identical goods. Recent decisions of the tariff board have pointed to the narrow interpretation placed on the phrase "class or kind" to the point where goods must be practically identical before they may be rated as being of the same class or kind. This, we say, is a rigidity that was never intended. Under the new definition of the phrase it will be possible

to restore and confirm the broad and historic interpretation which had been applied prior to 1948, with the result that similar goods may be placed in the same class or kind group. My colleague the Minister of National Revenue has given some specific illustrations tonight in that regard.

On this matter of the right of appeal; this subject, with great respect, has been quite misapprehended. The suggestion is that there has been some narrowing of the effective right of appeal. I submit there is no effective narrowing of the right of appeal contemplated by this legislation. I pointed out this afternoon the three matters in which power is given to the Minister of National Revenue to make a decision, and those three matters are essentially questions to be resolved in relation to statistical data. They are not questions that involve the exercise of some judicial process in relation to interpretation of words in a statute. I am sure no one knows better than the hon. member for Kenora-Rainy River that on an appeal to an appellate tribunal that tribunal will not enter into a rehearing of determinations of fact. The ordinary rule is that there must be something more than an issue over facts involved.

There are lots of situations under the laws, whether of parliament or of provinces, where the appeal is confined to a question in relation to law or jurisdiction or mixed questions. All that the minister is given power to decide finally is in relation to those three matters I enumerated and those, I have said, are questions essentially of a statistical nature. My colleague made it quite clear this afternoon that under the present practice of the tariff board, when they encounter such question what they do is refer to the Department of National Revenue for information.

I say to you, Mr. Chairman, that a bogey has been set up in this debate in regard to the matter of limitation of the rights of appeal. The right of appeal on essential questions has been retained; the right of appeal from decisions made by the department, and then to the tariff board and thence to the exchequer court and the Supreme Court of Canada. This is simply a bogey that there has been some arbitrary power conferred upon the Minister of National Revenue.

Mr. Pickersgill: Assertions do not make facts.

Mr. Fleming (Eglinton): I would commend that to the hon. gentleman. "Physician, heal thyself".

I am hoping that the committee will see fit to allow the resolution to pass tonight so that the bill can be introduced. I do not think I need—

Mr. Pickersgill: There is not a chance.

Mr. Fleming (Eglinton): Well, then, in view of the fact that the hon. member of Bonavista-Twillingate says there is not a chance I might just say—perhaps it is unnecessary, in view of what my colleague the Minister of National Revenue said earlier—that the case may be amply documented as to the course of decisions to illustrate what I refer to as the process of erosion.

Perhaps I might just touch very briefly on some of these things. My colleague referred briefly to the decision in regard to the .22 calibre rifles. This is a decision which was made in 1950. The department had held that all .22 calibre rifles were of a class or kind made in Canada. The tariff board decided that the .22 calibre class should be divided into subgroups. They held that the autoloading type rifles, which were not made in Canada, were of a different kind from manually loaded rifles which were made in Canada.

Let us go on to 1952. Here is a decision involving fork lift trucks. The department had held that fork lift trucks of sizes within a certain range were of a class or kind made in Canada. The tariff board accepted this establishment of classes by size range. Now, Mr. Chairman, note that this is a case in which the tariff board upheld the decision of the department on the question of a size range. But what happened later, Mr. Chairman, by 1960, in the light of certain intervening decisions that had been made by the board and by the courts in the meantime? Then came an appeal involving truck mounted cranes. The department had held truck mounted cranes of sizes within a certain range to be of a class or kind made in Canada. The tariff board rejected the range class, indicating that individual sizes were to constitute the criterion. Here is a case where a decision of the board in 1952 in regard to range was completely set aside by the decision in 1960 under strictly comparable circumstances because of the change in the course of decisions in the interval. Does anybody in this house say that it is reasonable to think that it was the intention of parliament that we should reject the idea of a range class, and that individual sizes are to constitute the criterion as to whether goods are or are not of a class or kind made in Canada?

Here is a decision in 1953 involving a Snyder car wheel boring machine. Although it was agreed that the imported and the Canadian made machines performed the same operation on railway car wheels, that is to say, the cutting of metal from the hub thereof, the decision of the board was to the effect that the machines were not of the

same class or kind as they operated on different mechanical principles. The imported machine operated through the action of a rotating spindle carrying the cutting tool on the hub of the wheel held stationary by a special holding device; whereas the Canadian made machine operated on the vertical lathe principle; that is to say, the tool bar moves vertically and does not rotate, while the wheel to be bored is held on a rotating table during the cutting operation. One might go on—

Mr. Benidickson: Has the minister anything there about the paper making machine which the Minister of National Revenue and I had some discussion about?

Mr. Fleming (Eglinton): I am just giving the decisions I have here. Here is a decision in 1954 involving the shovel to which my colleague referred this evening. The department ruled that while a two and a half yard shovel was not made in Canada, it was competitive with a two yard shovel which was made in Canada, and that therefore the two and a half yard machine should be considered of the same class as the two yard machine. The tariff board ruled that inasmuch as no two and a half yard sizes were made in Canada at the relevant time, such machines should be held as of a class not made in Canada.

An appeal was taken from that decision of the tariff board to the exchequer court and the decision of the exchequer court is reported in the 1956 Exchequer Court Reports, at page 379. The exchequer court upheld the decision of the tariff board. An appeal was then taken to the Supreme Court of Canada, and the decision of the Supreme Court of Canada is reported in 1958 Supreme Court Reports, at page 652. The supreme court upheld the decision of the exchequer court with Mr. Justice Rand dissenting. It was following that decision, and the protracted litigation that was involved in it, that a more definite turn was given to the course of decisions and therefore the tariff board from that point on felt constrained by the decision of the supreme court to give that emphasis that I have indicated and was well exemplified in this very narrow distinction between a shovel with a two yard capacity and a shovel with a two and a half yard capacity.

We say—and this is my final word—that this is not in accord with the intention of parliament; it certainly was not in accord with the intention of the government which introduced this legislation over the years.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I presume we are to go on with this business tomorrow?

Mr. Churchill: Yes, we will continue with the budget resolutions tomorrow. If they are completed we will take up the estimates of the Department of Citizenship and Immigration. The forecast for next week, subject to change if circumstances so require, is as follows: Monday would be private members' day, the third one in the series; Tuesday we would commence with the resolution in my name dealing with the amendments to the Pension Act which were brought before the house before Christmas. If that is completed, then we would carry on with the budget resolutions and the legislation. Wednesday would be similar and we would take second reading of the bill dealing with the Pension Act and, if time permits, budget resolutions and legislation pertaining thereto. Thursday and Friday of next week would be available for the estimates of the Department of Citizenship and Immigration.

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

ANSWER TO QUESTION

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

NANAIMO ASSEMBLY WHARF, B.C.—
SHEET PILING

Question No. 81—**Mr. Bourget:**

1. Did the Department of Public Works issue a directive to the contractor to use steel sheet piling of Canadian manufacture in the construction of the Nanaimo assembly wharf, Nanaimo, British Columbia?

2. If so, what is the cost comparison between this product of Canadian manufacture and the imported product?

3. Is it the practice of the Department of Public Works to insist upon the use of materials of Canadian manufacture?

Question

4. If so, is there any limit to the cost differential over imported products in directing the use of Canadian materials?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. Yes.

2. Using Canadian steel sheet piling driven in place, the price was $86,361.54. The tender using West Germany steel sheet piling driven in place was $74,901.60.

3. Yes.

4. Yes. Each project is reviewed on its merits. Canadian parts and materials are however used to the full extent to which the same are procurable, consistent with proper economy and the expeditious carrying out of the contract.

HOUSE OF COMMONS

Friday, February 3, 1961

The house met at 11 a.m.

PARLIAMENT BUILDINGS

ANNIVERSARY OF DESTRUCTION BY FIRE OF HOUSE OF COMMONS

Mr. Speaker: Order. As today, February 3, is the anniversary of the tragic destruction of the original House of Commons by fire in 1916, which was accompanied by some loss of life, I have taken the liberty of reminding the house of that event by asking the Sergeant-at-Arms to bring into the house the mace which was used immediately after the fire when the house reassembled several days later.

This is the old, wooden mace made here by the workmen of parliament which was used until the beautiful new gold and silver mace which we now use daily was presented later, in 1916. The new mace and its presentation are described in Beauchesne at page 331. It is familiar to all hon. members. However, I thought perhaps all hon. members did not know that we had two maces, the second being the one which is on the table today and which served the house as the symbol of its authority during the interval between the fire in February and the presentation of the new mace in June of 1916.

If I have erred, the regular mace can be fetched, but I thought hon. members would permit the liberty which I have taken.

AGRICULTURE

HOGS—ANNOUNCEMENT OF SUPPORT PRICE

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I wish to announce that the agricultural stabilization board has been authorized to stabilize the price of hogs to producers for the calendar year 1961 by a deficiency payment program similar to that in effect during 1960. The support price to producers has been established at $22.65 per hundredweight, national basis, which is approximately 83.5 per cent of the base or ten-year average price of $27.11 per hundredweight.

Under the deficiency payment method of support the board will determine at the end of the year the national average price to producers at which grade A hogs were sold, and if this average price is less than the national support price of $22.65 per hundredweight then a deficiency payment equal to the difference will be made to each registered producer on a maximum of 100 grade A or B hogs.

The action taken by the government last year in placing hog support on a deficiency payment basis has had the anticipated effect of eliminating the previous surplus production and greatly improving hog prices. Over the past year prices to producers have averaged approximately $1 per hundredweight more than the national support price. A year ago the price for grade A hogs at Toronto was $23.65. It is now $29, and has been at or above that level for some time.

There is a very real danger that present prices may encourage a level of hog production which could lead to heavy supplies and much lower prices later this year. While some expansion in production can be accommodated, a warning must be sounded to producers against overexpansion at this time. This situation is widely recognized, and provincial departments of agriculture and others are calling attention to it.

Under these circumstances it is important that the government should not take any steps which could be interpreted as an encouragement to greater production. It has, therefore, been decided to retain the national support price for 1961 at the same level as that of the past year.

Hon. Paul Martin (Essex East): Mr. Speaker, the announcement by the minister is a repetition of the policy followed by the government last year in employing the principle of deficiency payments with regard to hogs rather than continuing them under the Agricultural Stabilization Act. What was said last year in this connection, of course, bears repetition now; that is, that the use of the deficiency payment principle will mean that the farmers will not know in advance the price which they will receive as they do with regard to products under the Agricultural Stabilization Act.

Mr. Harkness: The hon. member does not understand it.

Mr. Martin (Essex East): That is a fact. I do understand it.

Banking and Commerce Committee

BROADCASTING

PERSONNEL OF SPECIAL COMMITTEE ON RADIO AND TELEVISION

Mr. John Pallett (Peel) moved:

That the special committee on broadcasting appointed February 1, 1961 be composed of Miss Aitken, Mrs. Casselman and Messrs. Allmark, Asselin, Baldwin, Bourbonnais, Brassard (Lapointe), Caron, Chown, Creaghan, Danforth, Drouin, Fairfield, Fisher, Forgie, Fortin, Keays, Lambert, MacEwan, Macquarrie, McCleave, McGrath, McIntosh, McQuillan, Pickersgill, Pratt, Pugh, Richard (Ottawa East), Robichaud, Rouleau, Simpson, Smith (Calgary South), Smith (Simcoe North), Tremblay and Webb.

Motion agreed to.

COMMITTEES OF THE HOUSE

EXTERNAL AFFAIRS—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Frank McGee (York-Scarborough, for Mr. White) moved:

That the first report of the standing committee on external affairs presented to the house on Wednesday, February 1, 1961, be now concurred in.

Motion agreed to.

BANKING AND COMMERCE—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. M. D. Morton (Davenport) moved:

That the first report of the standing committee on banking and commerce presented to the house on Wednesday, February 1, 1961, be now concurred in.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I have an objection to this motion that I should like to state. I shall try to state it briefly and remain relevant to the point at all times. I am quite concerned with the practice that is growing up of committee chairmen, when they present reports to the House of Commons, asking for leave to move concurrence the same day. The significance of that practice is that the report must then be read by the Clerk to the house. Depending on the length of the report, considerable time is taken up that otherwise would not be taken up if leave to proceed with the motion the same day was not asked.

Ordinarily the report is merely presented at the table and it then appears in *Votes and Proceedings* where all hon. members can read it. When concurrence is moved at a later stage the members have before them the report and know what is being dealt with. I venture the opinion that the vast majority of members have not the opportunity of hearing a report when concurrence is moved on the same day the report is presented.

Apparently the practice of asking for unanimous consent to move concurrence on the same day has now become standard. This is a small point. I mention it because it is a procedure that takes considerable time of the house, and that time is lost from what would be more urgent business. I think it should be mentioned, and I should like particularly to draw it to the attention of the house leader for his consideration. There may be, of course, and undoubtedly there are, cases where it is necessary to ask for unanimous consent. There can be no objection if there is some reason for it; there is objection when there is no reason for asking for such unanimous consent.

My second point is that the motion now before the house asks for concurrence in a report of the standing committee on banking and commerce. The committee report contains three paragraphs; first, that the quorum be reduced from 20 to 15 members; second, that the committee be empowered to print its evidence and proceedings. As far as I am concerned there can be no objection to these two paragraphs.

The third paragraph asks that the committee be given leave to sit while the house is sitting. Now, in certain years this is the committee to which the decennial revision of the Bank Act is referred, and special circumstances may arise in those years; in other years there may be special items of business before the House of Commons which would be referred to this committee and which would require special consideration.

We had a particularly bad experience in this committee some three sessions ago when the estate tax legislation was referred to it. On that occasion the committee sat while the trade and commerce estimates were first being considered in the house, and it will be remembered that trade was quite an important matter at that time. Last year we also had considerable argument in the committee, which I do not wish to go into now, when the combines legislation was being considered. Many hon. members felt that they were being improperly denied their right to attend to their duties in the chamber because very important combines legislation was before the committee and the committee was needlessly sitting at the very hour the particular matters in which they were interested were being considered in the House of Commons. Again that is a matter about which there will be differences of opinion.

The committee can only be a body having delegated authority from the House of Commons, and when the committee has no occasion to seek this special power from the house I can see no reason why it should do so as a matter of course. It is rather interesting that the mover of the motion did not even find it necessary to state to hon. members what particular legislation he expected

to come before the committee which would require members to absent themselves from the House of Commons in order to attend committee sittings.

I would hope that we could revert to the practice of only asking for this power in cases where a committee is able to foresee the necessity of using such power. That situation undoubtedly arises in the committee on agriculture, in that it is necessary to bring officials of the wheat board and the board of grain commissioners before the committee. When that situation arises I think it meets with the wishes of all hon. members that these gentlemen, because of the nature and importance of their duties, should be heard in continuing sessions of the committee, and of necessity that involves the committee sitting while the house is also sitting.

A similar situation arises in the case of the special committee on railways which deals with the annual reports of Canadian National Railways and Trans-Canada Air Lines. Obviously there is a special need for that committee to ask for this extraordinary delegation of power from the house, but I see no reason for it in the case of the banking and commerce committee at this session of parliament.

I desired to place my objections on record so that hon. members might be fully aware of what is taking place.

As I understand the procedure, it is not possible for the house to amend a committee report. We cannot do that. I have no desire whatever to hold up the commencement of the work of the committee or to object to the other two parts of the committee report, but I propose to submit for the consideration of the house an amendment to the motion which I think is in order. I move, seconded by the hon. member for Essex East (Mr. Martin):

> That the motion be amended by inserting the words "paragraphs 1 and 2 of" after the word "that" and before the word "the".

The motion would then read:

> That paragraphs 1 and 2 of the first report of the standing committee on banking and commerce be now concurred in.

I think that meets the practice of the house in that it is not open to the house to amend the committee report as such. Hon. members will see that if the amendment is carried the report will be concurred in with respect to the reduction of the quorum and the right of the committee to print its proceedings. The only thing that would be changed in any way is that the committee would not have leave to sit while the house is sitting but would have the right to bring that matter forward again at any time.

Mr. Speaker: My impression is that the amendment proposed is in order, but in case any member may think otherwise I should like to refer to Beauchesne, fourth edition, citation 323, paragraph 2, before placing the amendment before the house. That citation reads as follows:

> A report from a committee cannot be amended by the house, but it must be referred back to the committee.

That is the general principle, namely that it is not competent for the house to change a report or amend it. If it wishes to have a report altered, it must send it back to the committee with the request. Also in citation 320 the practice is reported in these words:

> A report may be adopted only in part or an amendment imposing a condition to the motion for concurrence may be moved.

This amendment purports to adopt the report in part without altering the report, leaving the third paragraph in suspense.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, whether or not the motion is in order is a matter that I leave to Your Honour to decide. The point at issue is whether a certain committee of the house shall have the privilege of sitting while the house is in session. This is not a new matter. It has been raised in the house on several occasions in the past. We debated it at some length last year following suggestions by the hon. member for Ottawa West, who gave the example then that he gave this morning with regard to some difficulty in 1959 over attendance in the house affecting the attendance in committees.

Mr. Martin (Essex East): What is the page number, please?

Mr. Churchill: Page 1434 of *Hansard* of February 25, 1960. Several times during last session the question of committees sitting while the house was in session was raised, as it had been raised in 1959 and in 1958, and we considered the matter rather carefully. On that occasion I pointed out that the practice is not new. It has been in existence in the House of Commons for many years. I gave exact references to the session of 1956 when hon. members opposite were on the treasury benches, and compared that record with ours in 1959. I pointed out that in 1956 152 days were devoted to the business of the session, and that on 52 of those days committees were meeting while the house was in session. I pointed out that in 1959, when we formed the government, there were 127 sitting days of the session and that on 55 of those days committees of the house met while the house was in session. I gave those examples covering two regimes in order to indicate that there was nothing new in the

practice of asking the permission of the house for committees to sit while the house was in session.

All of us who have served on committees —and everybody here has had that experience now—deplore the necessity of attending committee meetings when the house is in session, when they would perhaps prefer to be in the house in order to listen to or participate in the debates that are taking place. The pressure of business over the years has indicated that it is essential to give this power to the committees, which can be exercised with discretion. It is up to the committees themselves to determine on what occasions they will hold their meetings while the house is in session.

The hon. member for Ottawa West quite fairly pointed out that there were instances—and he gave instances such as the wheat board, the board of grain commissioners, railway officials of the C.N.R. and officials of T.C.A.—when officials were called to appear before committees, and in order not to keep busy people in the city for several days it has been found appropriate to hold committee meetings morning, afternoon and evening, if necessary, in order to complete the examination of witnesses. That happens with other committees as well. The house in its wisdom over the years has decided that the practice of holding committee meetings while the house is in session is one that cannot be easily avoided.

The hon. member for Ottawa West implies that if a committee wishes this additional privilege, it should come back to the house later in the session and ask for it. However, that procedure would involve more delay—and unnecessary delay—because I am sure that if any committee not having the power to sit while the house is in session came back to the house and asked for that power, we should be obliged in reason to accede to that request. We might just as well do it at the start of the session when the committees are being set up. It is open to any member of the opposition who is a member of a committee to raise his objection in that committee if a meeting of the committee is called at what in his opinion seems to be an inappropropriate time. That has been the practice over the years. I see no reason for changing it.

The arguments advanced this morning by the hon. member for Ottawa West are not dissimilar to those advanced in the past. Yet in view of the figures I have given I think it is obvious that in ordinary sessions such as those in 1956 and 1959—and by "ordinary" I mean in the sense of commencing early in the year and carrying on to midsummer—the actual number of days when committees meet while the house is in session is about one third of the total. I am not sure of the figures for last year.

However, with the discussion that we had a year ago, I think the committee chairmen and the committee members are fully aware of the situation, and there is no question about the experience of the house now with regard to committee work. I suggest, Mr. Speaker, that we would not be able to accept the amendment proposed by the hon. member.

Mr. M. W. Martin (Timmins): As the minister has pointed out, Mr. Speaker, this is not the first occasion on which this disagreement has arisen in this house. I do not know whether we are gaining ground or losing ground. I notice that, as the minister stated, the matter was raised on February 25 last year. Here we are again, off to a blanket start, and it is now being raised on February 3. I therefore do not really know whether we have gained a month or lost a month. However, apparently we find ourselves in the same situation as that in which we found ourselves not only last session but in previous sessions as well.

The minister pointed out that the matter is not a new one, and he went back to previous administrations to prove his point. I should like to point out to the minister that, while it may be nothing new, certainly in the opinion of this party, if something is bad that was carried on by a previous administration, there is no reason why it should be carried on under the present one.

I think the dispute is a simple one. It is a question of whether permission should be granted to these committees to sit while the house is sitting, when it becomes necessary to do so, or whether blanket approval should be given at the start of the session. We are certainly consistent in our view on this matter. We opposed this procedure previously. We do not think it is right or proper that it should be done at this time. We do not think it is fair to the members. We are certainly pleased to support the amendment proposed by the hon. member for Ottawa West. I might say that we are glad to note that, contrary to the situation two sessions ago, the Liberals are now in full agreement with this group.

Hon. Lionel Chevrier (Laurier): There is just one point I should like to add, and it is this. The amendment deals with one committee and one committee alone. The remarks of the house leader dealt with the over-all position and the practice that had grown up in the past in all committees. The point that we on this side of the house are making and have made is that for this particular committee there is certainly no necessity at

this time of the session to sit while the house is sitting. That consideration was pointed out to the chairman and the members of that committee when this organization meeting took place, for some of the reasons that were given by the hon. member for Ottawa West. However, those reasons did not commend themselves to the committee.

The only point at issue at the moment is the question of necessity. I think there is no necessity at this time of the session for this committee to take these extraordinary powers. There are exceptions in certain of the committees that have been mentioned by the hon. member for Ottawa West and the house leader, such as for example the committee on railways, air lines and shipping, because there the officials come and must give their evidence over a period of days. But certainly that consideration does not apply to this committee at all. If it did; if there were an extraordinary case which I have not seen during most of the years I have been here, surely the committee could seek the power of the house at the time. For that reason it seems to me that the amendment is one which should commend itself to the house.

Mr. Frank Howard (Skeena): There is one point in connection with this matter that I think perhaps requires some airing and it relates, if we are dealing with past attendance in committees and attendance in the house, to the most active members in both places. For instance, in 1959 the hon. member for Bonavista-Twillingate, who we all know is extraordinarily active in the house, also had by far the highest record with regard to attendance and activities in committees in 1959 as compared with all the rest of the Liberals put together. But I think other hon. members are affected, such as the hon. member for Carleton, who is most active. His record in committees and in the house shows that he is one of the most active members. The hon. member for Calgary South is another whose attendance in committees and in the house shows that he was one of the most active. I refrain from mentioning statistical information relating to those of us in the C.C.F., perhaps for reasons of modesty.

In any event, I think this indicates that having committees sit while the house is sitting denies to the most active members of the house the right to participate fully in our affairs. I think the hon. member for Bonavista-Twillingate and the hon. member for Calgary South are cases in point. Perhaps this procedure merely does nothing but cater to a degree to the laziness of some of us who want to get out of the full performance of our duties in the house. I could perhaps understand the desire of this particular committee to sit while the house is sitting if it was doing something or if it was engaged in some important activity in this particular session, or if there was any indication given as to what its activities might be. In this regard I might say that perhaps one of such matters might be the drug industry and the pharmaceutical houses.

Mr. Speaker: That matter is not at issue.

Mr. Howard: This is an important matter. This consideration would perhaps be some justification for this committee functioning as desired by their report. Apart from that, however, I think we have no other course but to be consistent and protect members like the hon. member for Bonavista-Twillingate and the hon. member for Carleton, just to mention two, and also the hon. member for St. Lawrence-St. George, who is another who is most active in committees and in the house. It is to protect their activities and in order to give them every opportunity to participate fully this session, as they did in other sessions, and not really to cater to the laziness on the part of some members and their inclination to shirk their responsibilities.

Mr. M. D. Morton (Davenport): Mr. Speaker, I had not intended to make any comment on this motion, but in view of some of the things that have been said I thought it might be well to point out that when the meeting of the committee took place there was plenty of opportunity for discussion of this matter, and the house might be interested to know there were only two members of the Liberal—

Mr. Speaker: Order. I would ask the hon. member not to deal with proceedings in the committee, because that would be irregular in debating the report.

Mr. Morton: I am sorry, Mr. Speaker. I did not want to offend the rule, but only to say that neither of the hon. members who were so vocal just now was present to voice his objections, worthy as they may be.

I know many of us in this committee are, as the hon. member for Ottawa West mentioned, somewhat freshmen. I am not the chairman of the committee; I am only presenting this on behalf of the chairman. But I think we have been here long enough to know that there are occasions when the business of the committees needs to be expedited; and we have been here long enough to know how the former regime carried on its proceedings. I do not think there has been any great injustice in the carrying out of the proceedings of these committees.

Banking and Commerce Committee

Last year we were very careful to try to avoid unnecessarily sitting while the house was in session. Perhaps many of the difficulties that arose last year were not so much because this particular committee was sitting during the time the house was sitting, but because of the number of committees. Perhaps there should have been greater co-ordination between the various committees when sitting.

I suggest that there are occasions when we bring witnesses from out of town, and we might find in the morning that we are not able to complete their testimony. It is then too late to ask permission to sit during the rest of that day and we find ourselves having to hold those witnesses over. It seems to me only good business to accept this provision, in view of that difficulty which is foreseen. This would prevent us being put in an embarrassing position.

I would urge that the house accept the motion as presented. Although I am not the chairman of the committee I can undertake, as a member of the committee, to see that we do not abuse the privilege that is given to us.

Mr. Chevrier: Mr. Speaker, I rise on a question of privilege. I am sure the hon. gentleman would not wish to leave the impression that those who were at the committee meeting did not protest. As the hon. member knows, I asked for the vote and I took exactly the same view as the hon. member for Ottawa West.

Mr. Morton: Mr. Speaker, had I been able to continue I would have been able to clear the hon. member for Laurier, because he did raise the question. But I did temper my remarks by saying that those who were most vocal this morning were not present.

Mr. McIlraith: Mr. Speaker, may I ask a question of the mover of the motion. Can he advise the house what business he expects will be referred to this committee.

Mr. Speaker: Order. The question would not be proper, because it is not proper to discuss the business which will be referred to the committee on this particular motion, which it is proposed should now be amended as follows:

Moved by Mr. McIlraith, seconded by Mr. Martin:

That the motion be amended by inserting the words "paragraphs one and two of" after the word "that" and before the word "the".

The motion would then read:

That paragraphs one and two of the first report of the standing committee on banking and commerce be now concurred in.

[Mr. Morton.]

Is the house ready for the question? The question is the following:

Mr. Morton, seconded by Mr. Cathers, moves that the first report of the standing committee on banking and commerce presented to the house on Wednesday, February 1, 1961, be now concurred in.

In amendment thereto, Mr. McIlraith, seconded by Mr. Martin, moves that the motion be amended by inserting the words "paragraphs one and two of" after the word "that" and before the word "the".

The motion would then read:

That paragraphs one and two of the first report of the standing committee on banking and commerce be now concurred in.

The question is on the amendment. Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Mr. Pickersgill: On division.

Mr. Speaker: I declare the amendment lost on division. Is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Mr. Pickersgill: On division.

Mr. Speaker: Carried, on division.

Motion agreed to.

BUSINESS OF THE HOUSE

PERMISSION TO REVERT TO MOTIONS AT 5.45 P.M.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, may I make a request of the house. It is that the house give unanimous consent to reverting to motions at, say, 5.45 o'clock this afternoon in order that I may make a statement on a matter that I think can more properly be made after the close of business for the day.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I would like to point out to the minister that 5.45 is during the private members' hour. Does the minister still wish to do it at that time?

Mr. Fleming (Eglinton): Mr. Speaker, I think we are all aware of that fact. This matter will only take about ten minutes and, as I have indicated, the statement is of a nature that I think will be much more appropriately made after the close of business.

Mr. Speaker: So that the minister may have some certainty as to the course he is to

follow, is the house prepared to give him unanimous consent to revert to motions at 5.45 o'clock today?

Some hon. Members: Agreed.

EXTERNAL AFFAIRS

INQUIRY AS TO MEETING OF JOINT DEFENCE BOARD

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. Is the minister in a position to make any statement following the recent meeting of the Canadian-United States permanent joint defence board, which was held aboard H.M.C.S. *Bonaventure*?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, this board was set up during the last world war, and meets three or four times a year. It has not been the practice to make statements concerning the business discussed at these meetings.

DISARMAMENT—REQUEST FOR STATEMENT ON REPORTED COMMONWEALTH PLAN

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to ask the Prime Minister a question. Is he in a position to say what is Canada's attitude regarding the reported suggestion that when Prime Minister Macmillan visits the United States early in April he will take with him a detailed commonwealth disarmament plan? Is the Prime Minister in a position to state whether this is a fact and, if it is, what is the view of the Canadian government in connection with this matter?

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. gentleman has sent me the clippings to which he referred. I think that article reveals a lack of appreciation of the nature of a commonwealth prime ministers' conference. The conference meets for the purpose of the exchange of ideas, not for the determination of policy. Indeed, each of the nations of the commonwealth determines its policies for itself. I would fear greatly if at any time the prime ministers' conference were to arrive at the conclusion that an announcement of a united policy should be made. The danger of so doing would be to create internationally a concept of the commonwealth as an operative bloc.

Having said that, may I add that so far as disarmament is concerned all the nations of the commonwealth are united in their desire to achieve disarmament to the end that the load of expenditures which today rests on all nations may be relieved and international tension may be diminished.

In so far as the conference is concerned, there have been exchanges of views on disarmament, and the Canadian government would like to see included in these exchanges and consultations consideration of the role of the middle and smaller powers in disarmament. Canada, as all hon. gentlemen know, under the vital leadership of the Secretary of State for External Affairs, has taken the lead in the United Nations and in the ten nation committee on disarmament.

The house will recall that the Canadian disarmament resolution, which the Canadian delegation will pursue when the United Nations general assembly resumes in March, had two main objectives; to make provision for an active role for the middle and smaller countries in disarmament within the United Nations, and to bring about a resumption of disarmament negotiations.

In so far as the objective of attaining disarmament is concerned, all the nations of the commonwealth are in agreement, but I would make very clear that each nation speaks for itself. None of the nations can speak for the others on any matter connected with the individual responsibility and independence of the nations composing the commonwealth.

COMBINES

DRUGS—INQUIRY AS TO REPORT OF COMMISSION

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Justice. Can the minister inform the house when we might expect the report of the restrictive trade practices commission in connection with the pricing policies of certain pharmaceutical houses?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am informed by the director that he expects to be in a position to place his statement of evidence before the commission before the end of this month. It will be necessary for the commission to contact all interested parties for the purpose of obtaining their submissions with respect to the material submitted by the director. At this stage, therefore, the time factor is almost impossible to assess, since a great deal depends on the nature and extent of the public response.

Mr. Howard: A supplementary question, Mr. Speaker, to the right hon. Prime Minister. May I ask the right hon. gentleman, in view of the statement today by Premier Manning of Alberta that he would be prepared to give full provincial support to any federal investigation in the field of pricing policies of

pharmaceutical houses, whether the Prime Minister would take under consideration whether this is a subject matter which might well be studied by the banking and commerce committee?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not think I am in a position to give an answer to that question at the moment. The determination of what the banking and commerce committee will look into is naturally within the jurisdiction of that committee and the house.

PULP AND PAPER—INQUIRY AS TO INVESTIGATION INTO MERGERS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): May I ask the Minister of Justice if his officials in the combines investigation branch have under surveillance the much-rumoured mergers in the pulp and paper industry which have been dominating the financial pages of the press for the last ten or 12 days?

Hon. E. D. Fulton (Minister of Justice): I am certain these reports would have been drawn to the attention of the director, and that he would have the matter under observation.

DOMINION-PROVINCIAL CONFERENCE

FEDERAL PROPOSALS RESPECTING TAX SHARING

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I could ask the Prime Minister whether it is the intention of the government to place definite proposals before the federal-provincial conference on tax sharing when that conference resumes its sittings.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, at the last meeting, as the hon. gentleman knows, I placed suggestions before the conference for the consideration of the provincial premiers, to the end that none of them would contend that they had not had definite proposals placed before them. At the meeting which is to be convened later this year the government of Canada will place before the premiers the proposals of the federal government based on discussions and considerations that have taken place at previous meetings.

Mr. Pickersgill: Mr. Speaker, perhaps I could ask the Prime Minister a supplementary question. Is it the intention of the government to follow the precedent established by Mr. St. Laurent in 1956, that is, of making that proposal public as soon as it has been submitted to the premiers, in advance of the conference, so there will be ample opportunity for study?

Mr. Diefenbaker: I made it very clear in the answer I just gave that the proposals will be submitted to the conference. Whatever course may have been adopted by my predecessor as prime minister, while always entitled to respect, of course does not in any way bind the present government.

Hon. Paul Martin (Essex East): Can the Prime Minister say whether the suggested date is acceptable to all the provinces? I have seen some intimation that it is not convenient for the premier of Nova Scotia.

Mr. Diefenbaker: Speaking from memory, I think four of the provinces have agreed that the conference should take place in February. No one has said it should not. The premier of British Columbia would find it more convenient if it were held in March, but has expressed himself as agreeable if the majority decide on the February date. Up to the present time I have not heard from the premier of Quebec.

AIRPORTS

DORVAL—ORDER IN COUNCIL RESPECTING HANDLING OF LUGGAGE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Transport and ask the hon. gentleman whether he saw a delegation this morning from professional Sky-Caps Incorporated concerning the termination of their services at Dorval airport. What decision did the minister take with reference to their representations concerning the order in council which was passed recently and which terminates their services at midnight tonight?

Hon. Leon Balcer (Minister of Transport): Yes, I saw the delegation, and they presented a brief. Unfortunately I have not had time to study the brief properly yet, but my department is considering the matter very closely.

Mr. Chevrier: May I ask whether the minister or his officials have given consideration to the fact that the order in council promulgating the new regulations may well be an infringement upon property and civil rights, as well as contrary to the declarations in the bill of rights?

Mr. Balcer: The whole matter is under very close scrutiny. My officials are going into the question.

OIL

REQUEST FOR CLARIFICATION OF GOVERNMENT POLICY

On the orders of the day:

Mr. Arthur Smith (Calgary South): I wonder if I may direct a question to the Minister of Trade and Commerce. Last Wednesday, announcing the government's national oil policy, I believe he stated the government would take further steps to ensure the success of this policy in the event the targets mentioned were not reached. These included the proclamation of section 87 of the National Energy Board Act. May I ask the minister, in the event that these targets are not reached, whether he could advise the house at what point the government would be prepared to introduce the mandatory quotas under the energy board act, section 87?

Hon. George H. Hees (Minister of Trade and Commerce): I think I can best answer the hon. member's question by repeating the eighth paragraph of the statement on oil policy I read in the house last Wednesday, which is as follows:

> The government has instructed the national energy board to evaluate the contribution of individual companies to the general efforts of the industry, as well as to report periodically on the progress of the program. If this progress suggests that voluntary efforts are not producing the results anticipated, then the government will take whatever further steps the circumstances may require to ensure the success of its policy, including the proclamation of section 87 of the National Energy Board Act, which provides for the regulation of imports and exports of oil.

I can assure the hon. member and other hon. members that if it becomes evident that satisfactory progress is not being made in achieving the desired levels of production, then the government will take such steps as may be necessary to implement the policy which I outlined in the house on Wednesday.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to raise a point of order in respect to the question which has just been asked and answered. Is it to be taken as a precedent that from now on hypothetical questions will be answered by the government?

Mr. Speaker: It did occur to me that the question was hypothetical, but I came to the conclusion that the hon. member was asking for a statement on present policy even though the question relates to a future situation, and I did not object. The hon. member certainly has a point, but each case stands on its own feet.

Mr. Pickersgill: Perhaps I could raise another point of order with respect to the statement Your Honour has just made. Is it now to be taken as a precedent that requests for statements of government policy will now be allowed and may be directed to ministers?

Mr. Speaker: This was a question asking for clarification of announced policy, but the hon. member may use the precedent as well as he can.

TRADE

GRAIN—INQUIRY AS TO SHIPMENTS THROUGH PRINCE RUPERT

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, as the temporary substitute for the agricultural expert of the C.C.F. may I direct a question to the Minister of Agriculture, and ask whether he has received a telegram from the mayor of Prince Rupert regarding shipments of grain to China through the government elevators at Prince Rupert. Can the minister indicate what volume will be shipped through that port and over what period of time?

Hon. Alvin Hamilton (Minister of Agriculture): Yes, Mr. Speaker, I received a wire from the mayor of Prince Rupert. The hon. member for Skeena was kind enough to send me a copy of his question. I cannot give actual volumes, but I would refer the hon. gentleman to my statement in the house yesterday as reported at page 1649 of *Hansard*, where I said:

> I am informed that when all commitments are considered the Pacific coast ports will be utilized to full grain capacity until next August—

DEFENCE PRODUCTION

CANADA-U.S.—INQUIRY AS TO REPORTED AIRPLANE EXCHANGE

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Does the minister entertain any continuing hope of being able to sell some CL-44 aircraft to the United States government in exchange for some F-101 fighters?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I am always of an optimistic temperament.

Mr. Hellyer: A supplementary question, Mr. Speaker. Can the minister say when this matter might be finalized one way or the other, in view of its great importance to the Canadian aircraft industry and the nation generally?

Mr. Harkness: No, Mr. Speaker.

Inquiries of the Ministry

HEALTH AND WELFARE

BRITISH COLUMBIA—STATEMENT ON REPORTED REFUSAL OF MEDICAL AID TO EMPLOYABLE UNEMPLOYED

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, on January 24 the hon. member for Vancouver East asked me to comment on a report that the province of British Columbia will no longer supply medical aid to certain persons drawing welfare benefits, claiming that the decision was necessary because the federal government does not share the cost of this part of its welfare operations.

While I regret that the provincial authorities have seen fit to take this action, I cannot see how it can be claimed that any decision at this level of government has made the step necessary. Various provinces have programs providing medical services of one sort or another for particular groups of welfare recipients. These programs were developed by the provincial governments who alone decided the scope of the medical services to be available. My department has never shared the costs involved, though substantial federal payments in related fields help to ease provincial expenditures.

I might point out that the government's concern over the proper approach to the whole question of medical care is shown by the proposed establishment of a royal commission on this subject, as announced last month by the Prime Minister.

ST. LAWRENCE SEAWAY

REPORTED U.S. ORDER RESPECTING AID SHIPMENTS

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I wish to direct a question to the Minister of External Affairs arising from a news item in this morning's *Globe and Mail* to the effect that a storm of protest was sweeping the great lakes yesterday because of a United States government order which could divert hundreds of thousands of tons of cargo from the St. Lawence seaway and perhaps damage the prospects of paying for the seaway out of revenue. The ruling was made by the International Co-operative Administration, a United States government agency that channels foreign aid, which ruled that effective February 1, freight will be paid only on aid cargoes moving in United States ships. Would the minister comment on this?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I will have to take that question as notice.

[Mr. Harkness.]

IMMIGRATION

RADIO AND TELEVISION TECHNICIANS—REPORTED ADVERTISING IN U.K.

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if the Minister of Citizenship and Immigration is in a position to answer the question I asked yesterday.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I am sorry, Mr. Speaker, but I have not yet received the report.

WAYS AND MEANS

The house in committee of ways and means, Mr. Rea in the chair.

CUSTOMS TARIFF

Resolved that it is expedient to introduce a measure to amend the Customs Tariff and to provide:

1. That the said act be amended by adding thereto immediately after section 2 thereof the following section:

"2A. (1) For the purposes of this act, goods shall be deemed to be of a "class or kind" made or produced in Canada if

(a) in the case of goods other than goods custom-made to specifications, goods of approximately the same class or kind are made or produced in Canada; and

(b) in the case of goods custom-made to specifications adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

(2) Notwithstanding subsection (1), goods other than goods custom-made to specifications shall be deemed not to be of a class or kind made or produced in Canada unless at least ten per cent of the normal Canadian consumption of goods of the same or approximately the same class or kind are made or produced in Canada.

(3) The decision of the minister shall be final with respect to the following matters:

(a) the normal Canadian consumption of the goods described in subsection (2), and

(b) whether goods are custom-made to specifications, and whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time."

2. That subsections (9) and (10) of section 6 of the said act be repealed and the following substituted therefor:

"(9) For the purposes of this act, notwithstanding section 2A, goods may be deemed to be of a class or kind not made or produced in Canada where similar goods made or produced in Canada are not offered for sale to the ordinary agencies of wholesale or retail distribution or are not offered to all purchasers on equal terms under like conditions, having regard to the custom and usage of trade."

3. That subsection (4) of section 6A of the said act be repealed.

4. That any enactment founded upon this resolution shall be deemed to have come into force on the 21st day of December, 1960, and to have applied to all goods mentioned therein imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

Mr. Pitman: Mr. Chairman, a well-known volume on Canadian commercial relations has stated that although most tariffs are highly complex the Canadian tariff has been described by the chairman of the tariff board as "easily one of the most complicated in the world." Indeed, a really comprehensive knowledge of all the facets of the Canadain tariff is the work of a lifetime.

The Deputy Chairman: Order. Would hon. members please lower their voices when leaving the chamber. It is very difficult to hear the hon. member who has the floor.

Mr. Pitman: Thank you, Mr. Chairman. Because of the complexity of this matter my remarks will be very brief. We have been told that this amendment will mean no higher tariffs but is simply a matter of reclassification where—to use the words of the minister—erosion has taken place in the classification of goods of a class or kind made in Canada. We have been told it will affect some 70 items involving free entry or reduced rates of duty or drawback in respect of specified types of goods when of a class or kind not made or produced in Canada.

I believe that some of the confusion which has resulted has arisen from words that have been placed on *Hansard* during the debate. We have been told that this is not a high tariff policy, but the hon. member for Stormont in his speech as reported at page 1685 of *Hansard* commended the minister for introducing—

> —this present constructive measure now being brought in to assist and protect the hard beset manufacturers in this country—

If this is not a high tariff measure, and if there is no intention on the part of the government to undertake high tariff policies or a trend toward such policies, how can this measure—and I quote the hon. member's words once again—

> —assist and protect the hard beset manufacturers in this country—

The hon. member in the course of his remarks went on to say that there will be no changes in GATT arrangements or in trade agreements with other countries. I suggest that the proposed amendment, though not one which may immediately bring about higher tariff policies, is none the less an open door toward future higher tariffs. As we have seen, there are two methods of determining tariff classification relating to whether goods are of a class or kind made in Canada. The first is to determine whether dumping duties are applicable; the other is to determine the tariff classification for goods which are of a class or kind made in Canada. Surely this proposed legislation will change the entire emphasis and open the door to future higher tariff policies. Will it not mean that the same rules and much wider rules, will apply for purposes of the tariff classification as well as the dumping provision?

I think this is a most interesting innovation. If the government has no intention of raising tariffs, then this should be stated very definitely and some negation of the remarks made by several hon. members in this committee should be made. As has been pointed out by the hon. member for Bonavista-Twillingate with regard to custom-made specifications, no Canadian production is necessary. The only question is whether "adequate facilities exist" for the economic production of goods "within a reasonable length of time." However, the question arises, what are "adequate facilities"; and what is "a reasonable length of time". Indeed, what is "economic production"? Does it contemplate a level of costs above that which would be competitive with the cost of imported goods? Certainly it must. But how high?

In his speech, especially in his remarks in reply to the hon. member for Laurier, the Minister of Finance indicated a belief that Canadian labour was in the vanguard for higher tariffs; that it was beating the drum or sounding the trumpet for higher tariffs. This is an entirely erroneous concept, and I should like to place on *Hansard* a statement from the very brief which was placed in the hands of the government yesterday morning with respect to tariffs. I shall read a very short quotation which will indicate the position of organized labour and indeed unorganized labour on this matter of tariffs:

> Where the industry is dying, or seriously ill, because of import competition, the situation is different. The obvious, simple, easy (deceptively easy) solution to the problem is to slap on a quota or a tariff stiff enough to stop the imports or reduce them to negligible proportions. There are times when this may be the only thing to do, at least temporarily.

Here is the long term policy:

> But as a general, permanent policy for dealing with unemployment arising from import competition, this simple, easy policy has several serious defects.

The next two or three pages of the brief are concerned with the defects of the higher tariff policy. This statement has particular relation to the remarks made by the hon. member for Laurier—I do not know why I should be defending the hon. member—in regard to the textile workers, who are looked upon as probably the foremost exponents of tariff increases. Statements made in this house in that regard are completely erroneous. I am quoting from the latest official publication of

the textile workers. It is an open letter to the *Globe and Mail* in answer to an editorial, and it reads in part:

> For these and other fundamental reasons we have rejected the traditional laissez-faire demand for wage reductions and tariff increases in favour of increased international trade on a planned basis.

In my remarks I do want to indicate that the Minister of Finance has no fear from labour in this country if the policy of this government is one of lowering tariffs. Labour does not want a "beggar thy neighbour" policy. Labour does not want to export unemployment to some other country or to some other part of this country. We realize that secondary industry produces more of our gross national product than any other sector of the economy; that it provides more employment. But I think secondary industry is coming to realize that higher tariffs, which this amendment appears to be advocating, if the remarks of the hon. member for Stormont are to be given any credence, are a very fallacious argument for increasing prosperity in this nation.

Possibly there were times in the past when a higher tariff policy had some force, and possibly that was true of the national policy of the nineteenth century when Canada found herself beside the large, expanding and very aggressive industrial economy of the United States, so in a sense low tariffs were a serious disadvantage to an infant industry economy. But an infant industry economy argument no longer holds very much water in this country. The position of this group is that the trend or the emphasis which in the long run will direct our Canadian economy toward the establishment of a world market —eventually, not immediately—is the only thing which can be regarded as legitimate in this twentieth century.

The Minister of Finance has indicated that he is concerned with the dumping which is being carried on by other nations. Indeed, this is a serious problem; but I think we should never forget that what we call dumping may be regarded as a legitimate trade practice of the nation which happens to be on the other side of the fence. There is no reason why our use of an emotionally charged word like "dumping" should be an excuse for putting up tariffs which will create inefficient industry by raising the price of machinery or by permitting higher prices, because I think the Canadian public realizes that the consuming public pays for tariffs in a straightforward way just as it pays income taxes every April. There is virtually no difference, except that you can tell a little easier in the former case just where the money is going and where it is coming from.

[Mr. Pitman.]

In looking at this amendment I think we could very well recognize other methods by which we can create more stability and more prosperity in our secondary industry. One way would be by capital assistance on an enlightened taxation system to take the place of this emphasis on higher tariffs. Possibly the setting up of export and import boards would be a great help, and under some kind of a plan we could determine what particular industries do have a place in our Canadian economy, where the raw products and skilled workers are available, and so on. This, I think, would receive the support of the Canadian people.

As I have stated and must repeat in conclusion, the trend must be toward a world economy, a lowering of tariffs and other barriers and an increase in the prosperity of other parts of the world. The emphasis and trend which appear in this particular amendment must be reversed if Canada is to play its part both politically and economically in the world of the twentieth century.

Mr. Pickersgill: Mr. Chairman, after listening to the hon. member for Peterborough, especially in the last few minutes, it seems to me there was no necessity for him appearing as a New party candidate. He has been talking Liberalism and nothing but Liberalism, and I commend him for doing so.

Mr. Bell (Carleton): The hon. gentleman adopts his words completely, then?

Mr. Pickersgill: The hon. gentleman makes his own speeches except when he finds it useful to refer to the previous utterances of the Minister of Finance, which sometimes express his thoughts better than his own, and this is going to be one of those occasions. Last night the Minister of Finance attempted to sum up what was said at some greater length by his colleague the Minister of National Revenue about this question of appeals. His words will be found at page 1697 of *Hansard*, in the first full paragraph, and I read as follows:

> On this matter of the right of appeal; this subject, with great respect, has been quite misapprehended. The suggestion is that there has been some narrowing of the effective right of appeal. I submit there is no effective narrowing of the right of appeal contemplated by this legislation.

There is no misapprehension about this matter, and the mere fact that the Minister of Finance says there is does not make it so. As I pointed out last night, it is perfectly clear, to deal only with shelf goods first, that up to now there has been the right of appeal on all questions of fact. Now parliament is being asked to deny the right of appeal on what is quite obviously the most important

of the questions of fact. In other words the taxpayer, or any other party who considered himself aggrieved, formerly could go to the tariff board and have an adjudication, if he appealed on any of those points. He is now to be denied the right of appeal with respect to the normal Canadian consumption.

We were given a very specious argument by the Minister of National Revenue last night that this was a purely statistical matter. If that were true, sir, it seems to me that, if it is a mere matter of fact it should not be excluded from determination by any appeal. The tariff board should not be prevented from looking at this fact and from looking at the source of what is an alleged fact. The tariff board is an independent tribunal, or is supposed to be, and I think it always has been. Its judgments on points of law are appealable to the courts and public argument can be made before the tariff board, so that the public is let in.

What we are being asked to do in this resolution is to approve the introduction of a bill which will take away from the tariff board altogether that right of appeal on the most important single matter of fact. By doing so this will make a complete farce of any appeal, because the Minister of National Revenue is now going to be able to say finally, without having to produce any facts in support thereof—it is just his word that will determine this—what the normal Canadian consumption is; he can put that at any figure he likes, and that is it. That is what parliament is being asked to say, that the minister may state that in his opinion the normal consumption is such and such and that is it, and all you can then ask the tariff board to decide is whether 10 per cent of that quantity is produced in Canada.

The 10 per cent part is a mathematical operation but the first part, the vital part on which all the rest depends, is to be taken away from appeal. Why? I can follow both ministers when they say they do not like the way in which the courts have, as they say, narrowed the scope of the made in Canada provision. If so, let them come in here honestly and redefine that, but do not take away the right of appeal. I do not even approve of their redefining of it, but that is a separate matter. I am dealing now with this denial of the right of appeal in the most important single element of the whole thing.

Why are they doing this? I ask myself, why are they saying that the tariff board cannot look at this, the most important single element of all, in its adjudication? Why not? One can only suppose that the government has some reason for this, and some reason other than the snide observations made by the Minister of Finance about the tariff board and the courts in which he described their judgments as an erosion. "Erosion" is not a word that lawyers generally apply to judgments of the courts.

Mr. Fleming (Eglinton): Are you speaking as a lawyer now?

Mr. Pickersgill: The courts are supposed to interpret the law, and as a matter of fact on balance I would rather have the courts interpret the law for me than the Minister of Finance or even the Minister of National Revenue, for whose objectivity I have somewhat more regard than I have for that of the Minister of Finance. But I think this is a position in which no parliament should ever put any minister unless there is absolutely no other course. The Minister of National Revenue has said there is nothing new about this. He has said that he has power now under the Customs Act. He referred to the power to determine valuation for duty purposes under the dumping laws where there is no prescribed method applicable to the case. That is true, and it is quite obvious why it is true. Parliament has laid down a lot of tests, and if none of these tests apply and somebody still wants to import the goods, the minister may decide what the value is. That occurs when there is no criterion at all, but this is a very residual matter and not an unreasonable provision in the circumstances.

But here we are applying this provision to the whole range of commodities that may become subject to the made in Canada provision. In the case of certain goods that are free under the tariff it would not apply of course, and that is also true of certain cases where the duties are absolutely fixed. But having regard to the vast range of our trade, why does the government think the minister should be given the power to decide this thing finally? I grant, of course, that the minister and his officials have to determine all these things in the first instance. That is the only way you can carry on administration, and anybody who has any experience with government knows that.

What we are objecting to more than anything else in this resolution, though we object to almost everything in it, is this eagerness to place arbitrary power in the hands of a single minister. Six years ago the Minister of Finance and other members who now occupy the treasury benches were very eloquent in their objections to certain arbitrary powers which they suggested the government of that day was asking to have conferred for an indefinite period upon the then minister of defence production. Under that legislation those powers could only be exercised at a time of the gravest national peril,

and notwithstanding the argument that was put up at that time any lawyer worth his salt knows that if those powers had been exercised at a time other than one of grave national peril it would have been possible to take a case into the courts and challenge the government in that regard.

But here we are being asked to give a single minister the power to determine at his discretion, without appeal, something which is supposed to be a matter of fact in the normal course of the operation of our trade. There must be some reason for it. It is not just because it would be more convenient. The hon. member for Greenwood has often and eloquently spoken in the house about the question of discretion. He knows, as I know—I am not sure that many other members on the treasury benches remember these things, but he does—that the classic argument for discretion is speed and convenience. I think one can argue that there will be no additional speed or convenience here at all, but that is not the issue. The issue is that this is a power of final determination which it was not thought necessary before to give to the minister. Why are we being asked to do so now?

If I were of a suspicious mind instead of being the naive and innocent person I am, I would suspect that the reason the government is doing this is that an election is approaching and they feel that if there were an unscrupulous minister he could make these determinations in such a way as to give protection in a lot of cases where 10 per cent of the normal consumption is not being produced in Canada at all. All the minister needs to do under this law is to fix the amount of the normal consumption low enough so that whatever little production there may be in Canada is 10 per cent, and then the higher duty applies. It just makes a mockery of any determination, and I would think that any minister who has any regard for our constitutional system, any regard for the courts, any regard for parliament, would not be seeking, without any excuse except that it would be easier or that it is merely statistical, to have this power of life and death over a large part of the business of the country all the time. Surely the practice that wherever it is possible to do so there should be in the subject the power of appealing to a tribunal not under the thumb of the executive is a basic principle of our whole constitution.

Speaking for myself, sir, and I think I can also speak for everybody else over here, I will not be impressed in the slightest degree by any alleged precedents for this action even if they were Liberal precedents. Since they came into office in 1957 hon. gentlemen opposite, no matter what they do, say "Well, you used to do it". I would remind them and the people of the country that these hon. gentlemen, in making their appeal to the electors said they would change all that and restore the rights of parliament—that is what they said—which they said had been eroded by the Liberals. Now they have produced the very precedents they condemned previously in order to support far more thoroughgoing invasions than anything that was ever proposed in peacetime by the Liberal government.

It is quite true that the powers that were asked for by the government in 1955 under the Defence Production Act were extraordinary powers to which any reasonable person would take objection in normal times, but they were only asked for not in normal times but to meet a critical emergency at a time when the state of the world was, as it still is, very much disturbed.

Whether that case was justified or whether it was not justified, here we are dealing with our normal trade; and the government, through this resolution and the bill to be founded upon it, is seeking to take away a right of appeal which has up to now existed, or to take away an element in that right of appeal which would make the rest of the appeal a complete mockery. The moment the minister decides what the normal consumption is in Canada, everything else flows from it as a mathematical formula.

It would appear to me a great deal simpler and a great deal easier to determine what the production was in Canada. If you were going to give something to the discretion of the minister on the ground that it was statistical, that would be a great deal simpler to determine. After all, most of these commodities are produced in factories the location of which is known, and it would be much simpler. But none of the elements should be excluded from the review if there is to be a review. How can you adjudicate if you are told that you must accept as the truth any statement the minister chooses to make? I hope we are not going to hear anyone on the treasury benches rise in his place and say, "We are such honest and straightforward fellows that we would never do anything wrong."

Mr. Nowlan: We would not.

Mr. Pickersgill: That is exactly the point. I call to witness the Minister of Finance who, as reported at page 4524 of *Hansard* of June 7, 1955, stated as follows:

> Sir, hon. members, as I conceive it, were elected to this house to legislate, not to abdicate the legislative function to the government. They are

elected to preserve freedom, not to open the doors or admit the Trojan horse of executive power into the citadel of Canadian freedom.

We of Her Majesty's loyal opposition have fought this kind of legislation, and I think we can point to some success.

These fighters of other years are now wishing to strangle the Canadian economy in a way that no one ever dared to suggest previously.

Mr. Fleming (Eglinton): I do not think I have ever before heard such a distortion of the truth.

Mr. Pickersgill: May I say, Mr. Chairman, that the words I used are the words of the Minister of Finance, and if he regards them as a distortion of the truth, that is his privilege.

Mr. Fleming (Eglinton): No. I regard what the hon. member has said about them as a distortion of the truth. I refer to what the hon. member said about the minister; I regard that as a distortion of the truth.

Mr. McIlraith: Don't interrupt.

Mr. Pickersgill: The Minister of Finance can and will make several more speeches, although he concluded last night by saying that he was giving us his final word on this matter. However, I suppose that was only the final word for yesterday.

Mr. Lambert: The hon. member for Bonavista-Twillingate said precisely the same thing.

Mr. Pickersgill: To continue with the quotation of the words of the minister:

And, sir, we mean to go on fighting against this vicious practice.

That was five years ago. I would direct attention to the way in which he is fighting it now. He continued:

Let there be no doubt in the mind of anyone on that score.

I could go on and read from the preceding column other eloquent language of the Minister of Finance; it is much more eloquent than mine. I am simple about these matters. I have not that tongue of bombastic eloquence possessed by the minister. That is why I must use his words when I want to make these arguments really strong. That is why I must use his words when I draw your attention, Mr. Chairman, to the fact that what we are doing here is denying something to a taxpayer or other person affected by this legislation who considers himself aggrieved. We are denying to him a proper appeal because we are saying that the tariff board can only use one eye, and that it must close that eye to half the facts—the important half of the facts, the basic facts—the facts on which everything else depends.

Why are we doing this? I am not going to impute motives, but one can only assume that the government has some purpose in doing this. Nobody is going to believe for two minutes, the argument advanced particularly after what the Minister of National Revenue said last night, namely that there were few appeals. There would be few appeals because in most cases I think these determinations would be quite reasonable. But if there are going to be few appeals, the argument that appeals take a great deal of time and that the procedure would be more expeditious largely falls to the ground. What I say is this. In a case in which someone wishes to appeal, he should have that right to appeal. That is what we are saying. We are saying that it should not be interfered with in this way, particularly when no valid argument, and indeed virtually no argument at all, is given as to why this change is being made.

There is another argument that can be made, namely that this abridgement of the right of appeal in the case of shelf goods is being made so the minister will be able to decide quite arbitrarily which are shelf goods and which are custom-made goods. That is one of the three things he can decide. I do not think anybody on earth will be convinced by the argument made by both ministers that the decision as to whether something is shelf goods or custom-made goods is a statistical question.

Obviously it is not a statistical question.

We can take a simple example. If some of us in this house go to buy a suit of clothes, we can buy them off the rack and we do not look too much worse than we would otherwise look. But there are one or two hon. members —and I will not mention their names, though I am sure the hon. member for Nipissing would not mind if I mentioned his—who are not in this position. I doubt that many shelf goods are made for the hon. member for Nipissing. This is a qualitative matter; it is not a quantitative matter at all.

Let me illustrate how this thing could operate. Maybe the ministers have thought about this matter already, or maybe some of their friends have done so. Suppose someone wants to get 22 per cent protection in order to start the manufacture of something new. Suppose he has a friend who is a potential consumer of these goods, and he gets that friend to order that article, or several articles, to specifications in another country, so they become custom-made. Then the gentleman who wants to make the article goes to the Minister of National Revenue and says, "I hear this article is being ordered. I have capacity to produce it. This is a custom-made article." The minister then rules that it is a custom-made article. It has never been made

in Canada before, but it is a custom-made article. In this way person A gets right around our international obligations; he gets right around the law made by parliament and is able to start with a protection of 22 per cent to make something never before made in Canada, that in fact would normally be regarded as shelf goods. But if it were done in this way it would in fact be custom-made in the first instance.

That could happen. The opportunities for jiggery-pokery, the opportunities for corruption, the opportunities for capriciousness, the opportunities for favouring one person and denying favours to another, are put in the hands of a minister when there is no appeal on matters of fact in this regard. One does not need much imagination, in fact one needs very little imagination, to conceive what the difficulties are.

If this kind of loose language were put into our income tax legislation and the minister was the final judge in these matters, we would have a peculiar income tax structure in this country.

An hon. Member: Oh, oh.

Mr. Pickersgill: These are the great reformers who were going to change all that, who were going to restore the rights of parliament. They were going to do better than we had done, but in the three years this government has been in office there has been more arbitrary legislation and more arbitrary conduct on the part of the government of Canada than there ever was in the whole 22 years of Liberal government.

Mr. Lambert: That is absolute and utter nonsense, and you know it.

Mr. Nowlan: Mr. Chairman, the hon. member is making statements which are absolutely without foundation or any semblance of fact. If this were not the parliament of Canada I would say they are absolutely untrue and would ask him to withdraw them.

Mr. Pickersgill: The minister had better compose himself.

Mr. Nowlan: I will not.

Mr. Pickersgill: I can find statements made by the Minister of Finance which are far more extreme than those I have just made. I refer to statements which have been made by the Minister of Finance about the late C. D. Howe, with much less reason and much less cause than I have for making these statements.

The Deputy Chairman: Order. Perhaps hon. members might come back to the resolution.

[Mr. Pickersgill.]

Mr. Pickersgill: I submit, with the greatest possible respect, that I am discussing this right of appeal and I am drawing an analogy between what happened under a previous regime and what this government is seeking to do. I say that hon. members opposite will not find this kind of legislation under the previous regime. They will not find this kind of deliberate abridgment of an existing right of appeal in the legislation of the previous government. They will not find it at all.

It is true, as I said before and I repeat, that there are some administrative matters on which a final determination must be made. I am very familiar with that. I had a department in which quite a few of those matters had to be determined. I certainly sought, during all the time I was there, to reduce the number to a minimum and to increase to a maximum the number of things to which definite rules apply.

As I say, it is impossible to understand why, with respect to shelf goods, the government are seeking to abridge this right of appeal, unless they have some sinister reason for doing so.

Mr. Lambert: That is poppycock.

An hon. Member: That comes out of your associations in the past.

Mr. Pickersgill: The hon. member says that comes out of my associations in the past. If that remark means anything, which I do not think it does, it means that the hon. gentleman is suggesting there were in the previous government people who did things for improper motives. If the hon. gentleman thinks that is a proper thing for him to say, I think perhaps it would be equally proper for me to say it about the present government. But I am not saying that about them.

Some hon. Members: Oh, oh.

Mr. Pickersgill: All I am saying is that this kind of legislation would make it possible for an unscrupulous minister to do that.

Mr. Henderson: We have not any of that kind.

Mr. Pickersgill: I thank the hon. gentleman for that excellent argument and that excellent intervention. That is the classic argument of all those who defend tyranny. They always say "But we are good tyrants. You do not need to fear us".

Mr. Fleming (Eglinton): That is what you used to say, in effect.

Mr. Pickersgill: No, I have never said that.

Mr. Fleming (Eglinton): You have in effect.

Mr. Pickersgill: I suggest that the minister find the occasions where I have said that in or out of the house. But I am saying it now.

Mr. Morton: You are trying to convince yourself.

Mr. Pickersgill: I am now saying that this legislation is tyrannical legislation. This is legislation conferring upon the executive the final power to determine things in one way for one person and in another way for another. I think it is an improper use of legislative power. If we have any self-respect in this house we will not give that power to the government.

I would also like to say something about the denial of the right of appeal in the case of custom-made goods. Why is the government so anxious to keep all this secret? Why is the government so frightened of having the decisions of the minister reviewed, if someone wishes them reviewed? I think the hon. member for Ottawa West dealt very persuasively with this problem last night, but I have another example right here in an answer given by the government to a question of the hon. member for Levis. It is question No. 18, which was received in the *Votes and Proceedings* office on February 2. The first question was:

> Did the Department of Public Works issue a directive to the contractor to use steel sheet piling of Canadian manufacture in the construction of the Nanaimo assembly wharf, Nanaimo, British Columbia?
>
> 2. If so, what is the cost comparison between this product of Canadian manufacture and the imported product?

The answer to the first question was yes, and the answer to the second question was:

> Using Canadian steel sheet piling driven in place, the price was $86,361.54. The tender using West Germany steel sheet piling driven in place was $74,901.60.

That is a difference of approximately $12,000. With that amount a complete wharf could have been built in many places in the province I represent. But the point I was seeking to make—

The Deputy Chairman: Order. I am sorry to advise the hon. member that his time has expired.

Mr. Pickersgill: Perhaps, Mr. Chairman, I could just complete this one point.

The Deputy Chairman: Does the committee give consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Pickersgill: I am not going to take advantage of the committee to do more than complete this one point. The point I was seeking to make here was that of course this difference is not very much more than the 10 per cent that was normally—well, I am not complaining particularly about this case because I do not know enough about it.

An hon. Member: Then why did you raise it?

Mr. Pickersgill: The reason I raised it is that this power could be used, not intentionally—I do not think any government would be so stupid as to use it intentionally, but we have all had some experience of what bureaucrats can do, no matter who is in office—

Mr. Fleming (Eglinton): We had 22 years of it.

Mr. Pickersgill: And we have had some experience of what some ministers can do in the way of delay. I am saying that if we are going to put a 22 per cent tariff on manufacturers' goods on the assumption that they could be made in Canada, and if we do that arbitrarily, we may very easily, if the price differentials are going to be anything like this example, stultify industrial development in this country. We could very easily do exactly what Mr. Bennett did with trade, shrink it and shrink it and shrink it until only the essential minimum was left. That is what we are afraid of in this legislation relating to "custom-made". We are afraid that it is going to reduce our productive capacity and our capacity to compete, or alternatively it is going to put an undue burden on the consumer. But even in this case, if the government are going to do this—and I assume they are, regardless of our views on this matter—why will they not allow the facts to be considered by the tariff board? Why not? What is the reason for taking away this right of appeal.

Mr. Nowlan: Mr. Chairman, in view of the forensic display to which the committee has been subjected for the last 30 or 40 minutes, perhaps I should say one word. We are to have the commemoration of the centenary of confederation in 1967, and I presume the pages of *Hansard* will be explored for momentous and outstanding statements which have been made. I am sure when that is done the pages recording the proceedings of the committee this morning, particularly the speech which the hon. member for Bonavista-Twillingate made will be accepted as the greatest example of arrant nonsense to which the committee has ever been exposed in the century of its history.

One might deal with this seriously, I suppose, but it is so silly that I do not know how anyone could take the time. Lewis Carroll, if he had rewritten "Through the Looking Glass", could not have written anything comparable to what the hon. member was

saying this morning; and I noticed that when he was speaking so severely he had a good deal of difficulty in refraining from smiling. It is a terrible commentary, if we were to take it seriously, on the associations which the hon. gentleman has had in the past if he thinks ministers can do those things he suggested a while ago.

As I said last evening, and as I say again now, in so far as the absence of provision for appeal is concerned the Minister of National Revenue has no more power under this clause than has been given to ministers of national revenue by the Customs Act and by the Customs Tariff time and time again, powers conferred by the government of which the hon. gentleman was a member.

Mr. Pickersgill: Conferred by parliament.

Mr. Nowlan: Some of my statements last night were perhaps a little too generalized. I said last night that all this information—and it is statistical information, almost entirely—was available to the public, that it was a matter of record in the files of the bureau of statistics, and so on. That was too general a statement. As the hon. member knows, a substantial amount of the information which passes through the office of the Minister of National Revenue having to do with imports, consumption and so on is confidential. We get information from importers and other Canadian businessmen which has to be treated on a highly confidential basis. That information is not made available anywhere else, and it would be contrary to the law as it at present exists to make such information available. The availability of such information to the minister on a confidential basis, in addition to all the other information which is produced and published by the bureau of statistics, is one reason the Minister of National Revenue is able to decide these matters, decide them quickly, and decide them in such a way as to avoid unnecessary delays and appeals.

There has been talk about ministers making arbitrary decisions, that they might take a figure of 2 per cent and make it 10 per cent. I suggest to the hon. member that neither under the present Minister of National Revenue nor under any of his predecessors—certainly not under his immediate predecessor—has any such situation arisen, and as far as I recall there has never been one appeal on the question of the proportion, the quantity. These are decisions made by a minister responsible to parliament, and to suggest that a minister could twist the figures around without the circumstances being known is something I cannot for a moment credit.

This parliament itself is the high court. This is the court of appeal in which we are standing at the moment. This is the court of parliament to which the minister is responsible; and if any minister committed 1 per cent of the improprieties to which the hon. gentleman referred this morning the matter would certainly be brought to public attention; there would be discussion and debate in the House of Commons, a matter of public record, and no minister who had any sense of responsibility not only to his own office but to his colleagues and to his government would consider doing such things as was suggested. As I say, this is the final court of appeal, and it is one to which every minister is responsible.

Other questions were raised on which I could comment, but perhaps I may call it one o'clock. I believe the few moments remaining are not enough to permit me to clarify what I hope are honest misapprehensions felt by hon. members opposite. There is so much misapprehension on the other side of the house that I should like to be sure what the facts are.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Nowlan: Mr. Chairman, when the committee rose at one o'clock I had the floor. I intend now to occupy the time of the committee for only a moment or two. Frankly, I do not think there is too much merit in carrying on the substance of this debate for a longer period.

We have had various imaginary pictures presented to us by the hon. member for Bonavista-Twillingate this morning. Apparently there is a plan on the part of the official opposition whereby the hon. member for Essex East speaking in terms of the typical gloom that characterizes the utterances of that hon. gentleman worries this committee about the dangers of unemployment and the people who are suffering therefrom.

Mr. Martin (Essex East): I have not spoken a word on that subject.

Mr. Benidickson: The hon. member for Essex East has not spoken.

Mr. Nowlan: I know that the hon. member for Essex East has not taken too lengthy a part in this debate. The hon. member for Bonavista-Twillingate, on the other hand, with a slightly different tone of voice worries about the Canadian consumer. Between the two hon. members they are attempting to create a picture which would suggest that there is something in the nature of a conspiracy on the part of the government which

will result in prejudice to the people of Canada. Nothing could be further from the truth.

The Minister of Finance and I in our contributions in this debate have, I think, established to the satisfaction of every reasonable hon. member who is not suffering from a jaundiced prejudice of some kind that this is simply an amendment to a statute which will provide for the development of Canadian industry without any prejudice whatever to the Canadian consumer.

There has been talk about appeals, the powers of the minister and all the rest of it. These are all figments of the imagination. I sometimes think hon. members opposite must have read the memoirs of that supreme propagandist of all time who I believe died in a funeral pyre on the outskirts of Berlin at the end of the last war. In his book he said that if you are going to create a picture you want to create one so absolutely black that no one could believe that you did not believe it when you started to create it. That is the kind of picture my hon. friends opposite are attempting to create here.

This is simply a routine amendment to the Customs Tariff without any of the dire and sombre connotations which hon. members opposite attempt to relate to it. If you were to analyse the speeches of hon. members who spoke with respect to this amendment—with the possible exception of the hon. member for Bonavista-Twillingate—you would realize how very little they know about the administration of the Customs Tariff. One hon. member started out by saying that tariffs do not apply to any goods which are not made in Canada.

Mr. Benidickson: Dumping duties do not apply. That is what was said.

Mr. Nowlan: That is the statement which *Hansard* will show was made. The statement was as I described it. That is in keeping with the knowledge of this matter on the part of most hon. members opposite.

Mr. Pickersgill: Who made that statement?

Mr. Nowlan: The record will show who made the statement.

Mr. Benidickson: As I heard it, reference was made to dumping duties.

Mr. Pickersgill: It is usual in making these imputations to apply them to someone.

Mr. Nowlan: I heard the statement made as I described it and the record will show it. I have heard many other non-factual statements made with respect to the application of the Customs Act and the Customs Tariff. On the basis of this one wonders exactly how much hon. members opposite know about the subject. I exclude from that charge the hon. members for Bonavista-Twillingate and Kenora-Rainy River who do know something about the application and administration of this legislation.

Mr. Pickersgill: Does the minister suggest for one moment that the hon. member for Ottawa West does not know something about the administration?

Mr. Nowlan: The hon. member for Ottawa West was not the one who made the statement. There have been enough silly statements made in connection with this matter. I do not think it is necessary, as far as we are concerned, to prolong this discussion further.

As I said, this amendment seeks to achieve certain alterations in the Customs Tariff all of which are necessary and all of which contribute to the furtherance of the development of the Canadian economy, and all of which at the same time offer every safeguard to the Canadian consumer.

The flights of imagination to which the hon. member for Bonavista-Twillingate ascended this morning were such that if our friends in the Soviet union or the United States air force could achieve similar flights they would not only have had a man in space long ago but they would have landed him on the moon and on terrestial spheres much beyond that.

Mr. Martin (Essex East): The minister is exceedingly poetic today.

Mr. Nowlan: I think it is time this debate came back to the elements of the situation which, as I said, are these. This is a simple amendment to the Customs Tariff with no evil connotations whatever. The powers attributed to the Minister of National Revenue by my hon. friends opposite in their dire forebodings are nothing like the powers which the minister has exercised, continues to exercise at the moment and probably will continue to exercise in future, because if the legislation is to be administered the minister will have to have certain powers by virtue of his position, by virtue of the information which is available to him and by virtue of the advice he receives from his officers.

We have heard suggestions about vested interests which could exercise some influence on the minister, the government or parliament. That would be a dire day and one which no one would like to see arrive. On the other hand, I do not want to see it as a vested interest of importers, or some of them, who by exercising capricious appeals could also have the same influence or a greater one than that to which the hon. member referred earlier this morning. We are avoiding both.

On questions of fact which are within the knowledge of the department, and to some extent exclusively within the knowledge of the department, in order to avoid capricious appeals and a waste of time the appeal is precluded. On all other matters the basis of appeal is as wide as it ever was. This amendment can be recommended with the utmost confidence by every member of the House of Commons to the Canadian people, knowing that it is in the interest of the Canadian people, both the producer and the consumer.

Mr. Pickersgill: I consider that I have been misrepresented by the Minister of National Revenue, but I did not want to interrupt his flight of fancy to take exception to it. The minister said that I had imagined things. I did not imagine anything. I read the resolution which the minister does not appear to have done, because the resolution quite specifically does take away the right of appeal in respect of "the normal Canadian consumption." That right of appeal exists now, and the resolution is asking us to take the right of appeal away from appellants. That is not a fancy. If the minister would take the trouble to read the resolution that his colleague is sponsoring and asking him to enforce, it seems to me it would be desirable. The ministers should inform themselves of the legislation that they are bringing before this house and what its alleged purport is.

The minister who is a member of this government that produces documents like the one that has just come from the Tory office called The Record Speaks presumes to talk about propaganda from any other source. I would strongly suggest that that be left out of this debate and that we stick to the matter before the committee. The matter before the committee is a highly practical one, and I would ask the minister to show me that this statement is incorrect. At the present time an appeal is allowed to the tariff board on all the facts, not on a selected group of facts with certain of them abstracted. The government is truncating those appeals by saying that there will be no appeal with respect to normal Canadian consumption. This is what the resolution says. What we ask is, why is the government taking away a right that now exists?

We saw the Prime Minister going back and forth across this country, and heard him talking about a bill of rights giving the people access to the courts. Here is this Prime Minister allowing the Minister of Finance to come in here and take away a right of appeal to the courts that now exists. I think it is time the Prime Minister came to this committee and told us why he, the great prophet of the rights of the people, is sponsoring this kind of restrictive legislation, giving powers to the executive which it now has not got. That is the whole point; that is exactly the point that the Minister of Finance purported to be speaking about in 1955 in the speech that I quoted from this morning. I am almost forced to the conclusion that that speech must have been written for the minister by someone else and that he did not understand what was in it, because he is certainly doing—

Mr. Fleming (Eglinton): You do not believe that for a minute.

Mr. Pickersgill: I would not be surprised if it was one of the efforts of Mr. Finlayson who understands a great deal more about the law than the minister does.

Mr. Fleming (Eglinton): You do not believe what you say at all.

Mr. Martin (Essex East): Don't interrupt.

Mr. Pickersgill: If the minister says he wrote it all himself I will accept his word for it. If the minister says he understood it, then why on earth does he not apply it in this case? Why, in this instance, is the minister trying to take away a right of appeal which now exists?

To say that there are some arbitrary powers now, as the Minister of National Revenue has just said, is one thing; but here they are asking for more arbitrary powers, and to what end? I should like to ask the Minister of Finance, who is going to introduce legislation based on this resolution, if the bill that is to come up as a result of this resolution has been examined by the Minister of Justice and certified under the order in council passed pursuant to the Canadian bill of rights act, and if the minister thinks that this denial of an existing right of appeal that we are being asked to make here in this parliament is consistent with the bill of rights? I maintain that it may be consistent with the letter of it but it certainly is not consistent with the spirit of it, because what is being sought to be done here is to take away the right of appeal to an independent tribunal which now exists and to vest it in the minister, who told us—and this was the most incredible thing that has yet been said in this debate—that he will have to make his decisions based on secret information that could not be disclosed.

Mr. Nowlan: No.

Mr. Pickersgill: The minister can look at *Hansard* and at what he said just before luncheon. If he will do that he will find that that is exactly what he did say. In other words, what we are being asked to do is to turn the Minister of National Revenue into a star chamber who will make his decision

on the basis of secret information to which others do not have access, determining their affairs on this basis. That is what the minister said himself.

Mr. Bell (Carleton): The hon. gentleman's imagination is infinite.

Mr. Pickersgill: The hon. gentleman can read *Hansard* and see for himself. Why does the minister want this power; why does the Minister of Finance want him to have it? The only excuse the Minister of National Revenue has given us yet is that he can decide these things faster than the tariff board can. As a matter of fact, he has made some pretty fast decisions today. And if the kind of slapdash decisions are going to be made in these cases as are made with respect to the arguments made in this house by the Minister of National Revenue it will be a sorry day for the people who have decisions made on their affairs.

Five years ago these hon. gentlemen opposite made the rafters ring all over this country about powers that the previous government asked to have, to exercise in case this country was in imminent peril of its very existence, and now they come in here, these great champions of the rights of parliament and the right of access to the courts, and ask us to vest discretion in the minister so that he can exercise it on the basis of secret information that will not be disclosed to the parties, and to take away from persons affected an existing right of appeal to the courts. That is what the resolution says. I ask again, why is it necessary to take away this right of appeal?

The minister talked about capricious appeals. As a matter of fact when a member of an executive starts to talk about capricious appeals you have a pretty tyrannical attitude manifested by the executive. If we have any freedom it is the freedom to exercise an appeal, to go to the courts if we want to, not if the Minister of National Revenue thinks it is all right for us to do so.

The moment you start talking about capricious appeals whose caprice is being exercised? The minister is deciding what is capricious and what is not. He is not only arrogating to himself the power to make a final decision in this matter, but he is doing it because he does not trust the people. The people cannot be allowed—of course, this is a real Tory attitude—to make up their minds whether they want to appeal. Because the minister says they might do so capriciously they have got to have their cases decided on the basis of secret information with no appeal of any kind whatsoever. I say that this is the biggest issue that has yet been raised in this parliament. These gentlemen who talked so much about the rights of parliament, about access to the courts and about the rule of law—

Mr. Benidickson: They used to.

Mr. Pickersgill: —five years ago—

Mr. Denis: And the bill of rights.

Mr. Pickersgill: —are now seeking to abrogate the rule of law completely—

Mr. Bell (Carleton): Nonsense.

Mr. Pickersgill: —to decide these questions on the basis of secret information and to decide them finally on that basis. I was looking again at that speech of the Minister of Finance and I found another gem.

Mr. Bell (Carleton): It would certainly be a lot better than this.

Mr. Pickersgill: The hon. member for Carleton will see. These words are found at 4525 of *Hansard* for June 7, 1955:

> In those days parliament was a grand inquest with the right to inquire into everything and anything, but it is not today, when we see secrecy imposed by the government—

That is what the minister has just told us.

Mr. Fleming (Eglinton): Oh, different altogether.

Mr. Pickersgill: He has told us that these things are to be decided on the basis of secret information. The parties will not be allowed to discuss the matter at all because the citizens whose affairs are affected might be capricious.

Mr. Fleming (Eglinton): What was the reference?

Mr. Pickersgill: Page 4525, June 7, 1955. It is that same excellent speech that the minister made in 1955. He had a great year. It was a vintage year for the minister. That was the year there was a grave emergency over unemployment, the minister will remember, and then there was an emergency over this matter.

Mr. Pallett: This is a sour grape year for you.

Mr. Pickersgill: As a matter of fact, I think the grapes are sour on the other side of the house. The minister went on to say on that occasion:

> This is what I hope will be my final quotation.

That was three or four pages before he ended his speech.

> Our objects are open and avowed. We seek no concealment, for we have nothing to conceal.

Yet the affairs of their fellow citizens are to be decided in secret by a minister whose decision is final instead of being open to appeal before a tribunal as such cases now are.

Mr. Martin (Essex East): It is contrary to section 6 of the bill of rights.

Mr. Pickersgill: The hon. member for Essex East, who is an eminent member of the bar, says that it is contrary to section 6 of the bill of rights. I have not consulted the act but I accept his legal opinion.

Mr. Fleming (Eglinton): That was not a legal opinion. That was the Martin bureau of statistics. He does not give legal opinions when he is not paid for them.

Mr. Pickersgill: I will leave it to the Minister of Finance to discuss this matter with his colleague at the bar. It is not my intention to discuss it. I ask the question, and I expect the minister to answer it, whether or not he has complied with the provisions in the bill of rights and the order in council recently made under the power in the bill of rights with regard to having his bill examined by the Minister of Justice and certified that it is not contrary to the bill of rights.

Mr. Benidickson: The Prime Minister should come in and tell us about that.

Mr. Pickersgill: We really ought to have that great apostle of the rights of the citizens, the Prime Minister, come in here and tell us why his government is sponsoring legislation to take away the existing right of appeal to the tariff board and the courts.

Mr. Bell (Carleton): Would the hon. gentleman permit a question?

Mr. Pickersgill: Certainly.

Mr. Bell (Carleton): Does he contend that the right of appeal in all cases must be absolute? If so, does he suggest that we should repeal the provisions of the Supreme Court Act which limit appeals on a monetary basis and for which his government was responsible?

Mr. Pickersgill: The hon. member for Carleton has asked a question which I am going to answer very directly. Any appeal to the Supreme Court of Canada is from a court of law, not from a minister. That is the first thing. There has already been an adjudication before an independent tribunal and it is quite reasonable when there has been a trial in a court that only certain kinds of cases should be appealed. I would have thought any lawyer would know that well enough that he would not have to ask an unlearned person that question. I do not say that there has to be an appeal in every case but I do say—

Mr. Bell (Carleton): Where do you limit it?

Mr. Pickersgill: Perhaps the hon. member for Carleton, having asked his question, would allow me to complete my answer, and I might point out that I am answering his question and not trying to evade it as members on the treasury benches do with our questions.

Mr. Martin (Essex East): Particularly the Minister of Finance.

Mr. Pickersgill: I say that every administrative decision affecting the rights of a citizen should be subject to an appeal.

Mr. Fleming (Eglinton): Why did you not do something about it in 22 years?

Mr. Pickersgill: We did a great deal about it.

Mr. Bell (Carleton): Not a thing.

Mr. Fleming (Eglinton): You closed the door. That is what you did. You do not know what you are talking about.

Mr. Pickersgill: I suggest that the Minister of Finance, who once more does not like my line of argument and is trying to divert me—

Mr. Fleming (Eglinton): That is absolutely absurd.

Mr. Pickersgill: —take a look at the Regulations Act. As the hon. member for Essex East has reminded me, this is a determination which involves taxation and, indeed, imposes taxation or is capable of imposing new or higher taxation. To use the minister's own words, that taxation is to be at the caprice of the Minister of National Revenue, not even the Minister of Finance who has the constitutional function of recommending the scale of taxation. It is to be at the sheer caprice of the Minister of National Revenue who, if he wants to, can rig the figures in such a way as to have one thing rather than another.

If they are honest, open and aboveboard about this, why do they want to place themselves in a position where they will be open to this kind of suspicion?

Mr. Benidickson: They want back-room power.

Mr. Pickersgill: As the hon. member for Kenora-Rainy River has just said, unless they want to carry on some back-room activities it is hard to see why they wish to do this. In any event, parliament should not agree to it. In this year of grace 1961, year 1 of the Diefenbaker bill of rights, parliament should not be taking away from the people of Canada a right of appeal to the courts that they now have, and that is what the minister is asking us to do.

Mr. Fleming (Eglinton): Mr. Chairman, there may be occasions in this house when the hon. member for Bonavista-Twillingate talks rationally—

An hon. Member: Very seldom.

Mr. Fleming (Eglinton): —but today was not one of such occasions. We have listened this morning and again this afternoon to about as hysterical and irrational a perversion of facts as this house is likely to be subjected to at any time.

Mr. Pickersgill: Mr. Chairman, I am going to rise on a question of privilege. It is a well known rule of the house that one does not impute motives. I did not impute any motives in what I said—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —and I suggest that the minister, instead of imputing motives to me, deal with my arguments.

Mr. Benidickson: And not get hysterical.

Mr. Fleming (Eglinton): Mr. Chairman, I did not touch on the subject of motives at all. I was dealing with the approach of the hon. member in what he calls his argument and which I would call a perversion of the facts and with the way he has gone about that presentation which I say was a most irrational one. There are some subjects on which the hon. member for Bonavista-Twillingate just has a blind spot. He sees red any time anything is mentioned of that nature. I have observed before and have noticed in the course of every budget debate that whenever we are discussing a subject related to the Customs Tariff or the Customs Act we run into one of those areas where the hon. member for Bonavista-Twillingate casts aside all pretence of rationality, simply sees red and then engages in one of these utterly irrational diatribes.

Mr. McIlraith: Tell us about the time you had to be ejected from the house.

Mr. Fleming (Eglinton): This is not new on the part of the hon. member. I will point out, without these interruptions from the sepulchral tones of the hon. member for Ottawa West, that the observations of the hon. member for Bonavista-Twillingate—

Mr. McIlraith: You are sensitive about the flag.

Mr. Fleming (Eglinton): More reverberations from the same sepulchral source. The hon. member for Bonavista-Twillingate has this subject of appeal on the brain now. He has discarded entirely the calm, constructive and indeed instructive observations on this subject by my colleague the Minister of National Revenue. He has cast them entirely aside and he talks about something that has only a faint resemblance to the terms of the bill or the course of this debate and he drags in, as though it had some pretence of relevancy, observations that were appropriately made in a debate in 1955.

Let me make it clear that I take back not one syllable of what I uttered in 1955 about the matter there and then under discussion. Every word I uttered at that time was uttered with abundant justification, and I think history has vindicated what was said on that occasion.

At that time I had a good deal to say about depriving parliament of its rights. The measure then under discussion was entirely different from the measure that is before the committee at the present time. I will briefly, Mr. Chairman, read certain sections from the Defence Production Act which was then the subject of debate and I will ask hon. members if what the government at that time was seeking to do has the slightest resemblance to the measure now being debated in this chamber.

The hon. member seeks to take my words uttered in 1955 with respect to the proposed extension of the Defence Production Act and relate them to the measure now before the committee. The situations do not fit together at all. Here are sections that were in that act then under debate in 1955 which the government of that day was asking parliament to extend in the circumstances of 1955. There was no national emergency then as applied to the safety of the realm. There was no war or insurrection, real or imminent, at that time. However, that government of which the hon. member for Bonavista-Twillingate was then a member—I think he was then the junior member of that cabinet—asked parliament to extend this power in peacetime under the circumstances then existing.

Here are just a few of the powers they were asking parliament to confer on the minister of defence production at that time. In case you think I am reading the most sweeping of the powers first, let me say that they grow worse in this case as we proceed. I shall read just three sections. There are others, but I shall not extend the debate:

> 11. The minister shall examine into, organize, mobilize and conserve the resources of Canada contributory to, and the sources of supply of, defence supplies and the agencies and facilities available for the supply of the same and for the construction of defence projects and shall explore, estimate and provide for the fulfilment of the needs, present and prospective, of the government and the community in respect thereto and generally shall take steps to mobilize, conserve and co-ordinate all economic and industrial facilities in respect of defence supplies and defence projects and the supply or construction thereof.

That is one section.

Mr. Pickersgill: What is wrong with that?

Mr. Fleming (Eglinton): The time was 1955 when the Liberal government wanted to have this carte blanche extension of these sweeping powers. Next I read section 14 of that measure:

14. The minister may, on behalf of Her Majesty and subject to the provisions of this act, acquire, store, maintain and transport and sell, exchange or otherwise dispose of such materials or substances as may be designated by the governor in council as materials or substances essential to the needs of the community of which it is advisable to maintain stocks to safeguard against possible shortages thereof.

They said they had to have those powers in 1955 and we fought them for three weeks in this House of Commons. It was an honourable struggle that in the end was crowned with a measure of success. Here is section 15, Mr. Chairman:

15. The minister may, on behalf of Her Majesty and subject to the provisions of this act,

(a) buy or otherwise acquire, utilize, store, transport, sell, exchange or otherwise dispose of defence supplies;

(b) manufacture or otherwise produce, finish, assemble, process, develop, repair, maintain or service defence supplies or manage and operate facilities therefor;

(c) construct or acquire defence projects and sell, exchange or otherwise dispose of them;

(d) arrange for the performance of professional or commercial services;

(e) purchase or otherwise acquire, sell, exchange or otherwise dispose of real or personal property or any interest therein which, in the opinion of the minister, is or is likely to be necessary or desirable for any of the purposes mentioned in paragraph (a), (b) or (c);

(f) make loans or advances to or guarantee repayment of loans or advances made to a person for the purpose of providing assistance for the construction, acquisition, extension or improvement of capital equipment or works by, or to provide working capital for, that person for the manufacture, production, finishing, assembling, processing, development, storage, transportation, repairing, maintenance or servicing of defence supplies or for the construction or operation of defence projects or by way of advance payment on account of or to enable that person to carry out any contract entered into with the minister under this act or any defence contract; and

(g) do all such things as appear to the minister to be incidental to or necessary or expedient to the matters mentioned in the foregoing provisions of this section or as may be authorized by the governor in council with respect to the procurement, construction or disposal of defence supplies or defence projects.

Those are some of the powers which that measure conferred upon one man, namely the then minister of defence production. In 1955, a year of peace, parliament was asked to extend those sweeping powers, that vesting in one man of powers that were broad enough to put the whole economy of Canada within his power. That is the kind of legislation that the hon. member for Bonavista-Twillingate thought parliament should pass not in time of war but in a year of peace, namely 1955.

We have to compare that with what is being asked here today, with the right of appeal observed.

It is quite obvious that this has been just about as complete a demonstration as is possible of an hon. member of this House of Commons talking out of both sides of his mouth. There was plenty of reason why parliament should have resisted that attempt in 1955 to take sweeping powers unto one man from parliament. That legislation does not bear any resemblance whatsoever, except in a lurid imagination, to what is now under debate in this committee.

The suggestion was made that parliament should do the legislating. That is the essence of the measure now before the House of Commons. I have pointed out that in legislation passed by parliament in 1936, and introduced by a Liberal government, the power was taken under the governor in council to fix the percentage that should be taken as the normal Canadian consumption for the purpose of determining whether goods should be deemed of a class or kind made in Canada. They gave that power to the governor in council. That was not having parliament legislate. That was a case of having parliament confer a power upon the government, and they proceeded to use that power. They passed the order in council in July, 1936 and it has remained in effect ever since.

The measure now before the committee seeks to give that power back to parliament and to have parliament do the legislating in terms of the fixing of the percentage. Is there no limit to the amount of distortion that has been imposed upon this House of Commons? The hon. member for Bonavista-Twillingate I think has reached the acme today, the nadir.

Mr. Pickersgill: Those words mean the opposite of one another.

Mr. Fleming (Eglinton): Yes. I have put the hon. member for Bonavista-Twillingate at both ends, depending on which way you look at the matter.

Mr. Benidickson: On second thought.

Mr. Fleming (Eglinton): In terms of crescendo and shrieks he certainly rose to the top. In terms of trying to put off on parliament an argument that is completely transparent and devoid of fact to support it I think he hit the bottom or the nadir.

An hon. Member: A doubleheader at the same time.

Mr. Fleming (Eglinton): The hon. member talks about appeals with great gusto. He talks about them with more gusto than knowledge.

If he had pursued his studies in the law a little further he would not have talked in this unlimited way.

There are not very many cases in any realm within the law where a right of appeal is unlimited. Appellate tribunals do not review findings of fact as long as there is any evidence whatever to support the findings of the tribunal.

Mr. Pickersgill: From another court.

Mr. Fleming (Eglinton): They do not inquire into the sufficiency as long as there is evidence to support the finding of fact. On appeal they will not open the determination of facts and they will go on to determine the appeal in the light of other questions. That is the ordinary rule. There are many, many cases where there are specific limitations imposed on a right of appeal. Sometimes it is on the jurisdictional aspect; sometimes it is in terms of the amount involved. There are many cases under statutes both of Canada and the provinces where the scope of appeal is limited.

I have pointed out that we do not take away the right of appeal here at all. If the hon. member had approached this rationally he might have said, "There is some limitation on the scope of appeal in relation to particular findings related to areas of fact". But he is not content to do that. He talks in these irrational terms as though the right of appeal had been taken away.

The right of appeal is not taken away and as to the alleged narrowing of the right of appeal, as I pointed out last night, it is not a matter of substance at all. The effective right has not been taken away. When the tariff board hears appeals it takes the position that the onus is on the appellant to show that the department is wrong. I also pointed out, as did my colleague the Minister of National Revenue last night, that in these circumstances we are dealing with matters involving a statistical determination and evidence that is available on a confidential basis, because it comes from industries, to the Department of National Revenue. It is not available to the public.

The hon. member for Bonavista-Twillingate then quotes statements that have been made on the matter of secrecy and distorts those out of all recognition. He bandied these words around today, "If the ministers were honest in doing", this and that. I am going to appeal for a little intellectual honesty in the approach to this question.

Mr. Pickersgill: I think you might well.

Mr. Fleming (Eglinton): I think the hon. member might observe very carefully what I am suggesting in this regard, because we have had enough, surely, of his attempts—

Mr. Pickersgill: Mr. Chairman, I wonder if the minister would permit me to ask a question, since he is talking about intellectual honesty. The minister was talking about appeals and about the limitation of appeals to questions of law in many cases. When he was talking about those matters, was he not talking about an appeal from one court of law to another, and not an appeal from an administrative decision of a minister to the court of first resort? They are entirely different things. I have never before heard any suggestion that this kind of appeal from an administrative decision would be limited to some of the facts and would not include all of them.

Mr. Fleming (Eglinton): Mr. Chairman, I think the hon. member for Bonavista-Twillingate is just getting himself in deeper all the time.

Mr. Pickersgill: Answer that question. Never mind whether I am getting myself in deeper.

Mr. Fleming (Eglinton): Is this a schoolteacher who is holding forth now, Mr. Chairman, a professor?

An hon. Member: A Sunday school teacher.

Mr. Pickersgill: No, I am just a learner trying to learn from the great instructor who does not seem to be able to instruct.

Mr. Fleming (Eglinton): Then may I tell the hon. member that he will never learn if he keeps on talking.

Mr. Benidickson: That provides no answer.

Mr. Fleming (Eglinton): The only chance for him to learn, Mr. Chairman, is for him to listen. We are certainly getting an interesting response from hon. members opposite; they are coming to life. The hon. member was talking about appeals from administrative decisions. With great interest and great fervour he has undertaken to deliver himself of a legal judgment in this matter.

Mr. Pickersgill: No; I asked a question.

Mr. Fleming (Eglinton): Let me tell him, in relation to administrative decisions made at government level, that there are relatively few appeals provided for them because these, under our system of government, are the responsibility of government and of ministers. That is a responsibility for which they are answerable on the floor of the House of Commons. That is our system. There are not very many of them at all that are open to appeal to courts, boards or tribunals of that nature. Ministers on these benches are bound to be making administrative decisions every day.

There are very few of them that are open to appeal to any court other than the high court of parliament.

Mr. Benidickson: Does not the bill of rights cure all this?

Mr. Fleming (Eglinton): The bill of rights cures many things but it does not claim to cure the woeful and abysmal misunderstanding on the part of hon. members opposite. When they talk about having parliament do the legislating, let me point out that an appeal is not a legislative act at all.

Mr. Pickersgill: The provision for appeal is.

Mr. Fleming (Eglinton): The provision for appeal is if you have it written into the statute. That would be legislation. But the hon. member was talking about something being taken away from parliament. He is so befuddled that he really does not remember very clearly what he did say.

Mr. Pickersgill: That is a deliberate misrepresentation of what I said. What I said was that this right was being taken away from the citizens, not from parliament at all.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member says that that is a deliberate misrepresentation. That is an offence against the rules of the house. The hon. member has done that before.

Mr. Pickersgill: I will withdraw the word "deliberate" and substitute the word "ignorant".

Mr. Fleming (Eglinton): Mr. Chairman, if the hon. member thinks he is adding to his stock of self-satisfaction in that way, he is welcome to it. There are not very many others who would, I think, find their measure of self-satisfaction added to so cheaply. I repeat that the hon. member talked about something being taken away from parliament. That is what he was talking about in relation to this question of appeal.

Mr. Pickersgill: No. I was talking about a right of appeal being taken away from the citizens.

Mr. Fleming (Eglinton): The record will bear out precisely what I have said. This is not a matter of taking away anything from parliament; this is a case of asking parliament to legislate. The right of appeal is not taken away. The hon. member is apparently still suffering from the hallucinations that were evidenced in the irrationality of his remarks this morning and this afternoon. Nothing has been taken away from parliament, and we say that a good deal is being restored to parliament—

[Mr. Fleming (Eglinton).]

Mr. Pickersgill: That is not what I said at all.

Mr. Fleming (Eglinton): —by reason of the fact that the power conferred by section 6, subsection 10, of the Customs Tariff on the governor in council is now to be repealed.

Mr. Pickersgill: I never even discussed that question, so do not think you are replying to me.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member cannot restrain himself; he has completely lost control of himself now. Of course he did not mention this section. He tried to make an argument without reference to this section because he knew his argument was completely contradicted by section 6, subsection 10.

Therefore I say that the hon. member has put on a strange act here today, but for him not altogether unusual. He has not hesitated to impute all kinds of purposes to the government. I say to you, Mr. Chairman, that the purpose of the government in introducing this legislation is to provide a much more workable form of legislation and to restore to Canadian producers and Canadian workmen the benefit of such provision as parliament certainly intended they should have under these statutory words and that they did have until this past decade.

What are the other reasons for placing these decisions based upon statistical analysis under the jurisdiction of the minister? I have given those again and again. We have pointed out the nature of these matters, what is involved in gathering the information, and we have also drawn attention to the benefits that this legislation will bring to the business community.

That apparently means nothing to the hon. member for Bonavista-Twillingate. We have had these long delays before. But it will be approved by the business community that the proposal now before the house will provide an opportunity for establishing with great speed, celerity and certainty their position under the law in relation to situations in which they involve themselves in liability in respect of customs duty.

Those are the purposes, and those are all the purposes involved here. The argument as to arbitrary powers simply has no basis in fact. My colleague the Minister of National Revenue has drawn attention to any number of situations in the legislation introduced by the Liberal government where powers are conferred on him far greater than the powers which it is proposed to assign to him under this legislation. I conclude this part of my observations by saying that what we heard this afternoon and this morning was simply

a bogus argument, a fictitious representation with relation to this amendment which is as far removed from it as day is from night.

Mr. Pickersgill: Would the minister permit one simple question? Why is the minister asking that from now on normal Canadian consumption shall be determined by the Minister of National Revenue and not, as heretofore, by the tariff board in cases where a citizen wishes to appeal? The reason I ask this question is that the minister talked about rights being taken away from parliament. I said rights were being taken from the citizen, and one right the citizen now has is to appeal in these cases from all the findings of fact. Why is the government taking away the right to appeal on the question of fact as to normal Canadian consumption?

Mr. Fleming (Eglinton): I have made that clear twice already. I have pointed out that in the first place this is a matter involving the gathering of statistics. The normal source of those statistics is the Canadian bureau of statistics, but where these statistics are not available and it becomes necessary to gather them, they are obtained by contact with Canadian producers and sources which are knowledgeable in these matters, and such information is made available on a confidential basis. Information of this kind is not given for publication, and my colleague the Minister of National Revenue pointed out last night that when there are appeals to the tariff board in such instances the tariff board turns to the Department of National Revenue for this information.

The hon. member talks as though the tariff board were sitting in this situation as a court of first instance reviewing all the facts involved in the appeal. I am afraid he is not too well informed on this subject. Moreover, he will not listen to what my colleague the Minister of National Revenue has said in this chamber for his information. The tariff board, in seeking information, unless it is a matter of public record, turns to the Department of National Revenue because it knows the department has this information from producers on a confidential basis. The tariff board takes that information from the department. The hon. member is completely mistaken in assuming that there has been hitherto on the part of the tariff board some gathering of information of its own in this regard. There is no secrecy about the method—

Mr. Pickersgill: You have just said there was.

Mr. Fleming (Eglinton): The Minister of National Revenue has made this perfectly clear and he has shown that all this talk about truncating the scope of appeal does not fit the facts at all. These are not matters which are essentially matters of appeal. These are not matters which are fought over on appeal. These are matters in regard to which it is evident from the statement made by my colleague that the tariff board turns to the department for information.

Mr. Pickersgill: I am sure the minister wishes to give us all the information, and wants to try to convince us. I did not say that the minister would not determine this in the first instance. But this is an appeal from the minister's decision. Surely the appellant should be allowed to dispute the minister's findings before the tariff board as to the normal consumption. The minister says that in future an appellant will be able to dispute Canadian production and two or three other things, but he says he can no longer dispute the minister's decision as to normal Canadian consumption. Why exclude this one element from the appeal? The minister has not yet given us a good reason.

Mr. Fleming (Eglinton): Because, having regard to the essential elements of the present situation there is no real scope today for litigating this question on appeal, since the sources of information, where they are not a matter of public record, are available only from the Department of National Revenue, and a good deal of that evidence is supplied on a confidential basis.

Mr. Pickersgill: About consumption?

Mr. Fleming (Eglinton): Further, it is in the interest of the business community, the people involved in these matters that it should be made clear that this is a question for decision by the minister, in order to give the business community the advantage of an expedited decision. The hon. member has not been in business—

Mr. Pickersgill: Neither has the minister.

Mr. Fleming (Eglinton): —nor has he been in contact with business people, but I can tell him that this matter of having certain and speedy decisions is of the greatest importance to people in the business community. It is important to importers. It is important to persons seeking to export to the Canadian market.

Mr. Pickersgill: May I ask the minister another question? This is a purely factual question. The minister has just said some of this information was secret. I can understand that some of the information about production may be secret. But would the minister tell me why any information about consumption should be secret? What is secret about consumption? This is about the most fantastic

thing I have ever heard. The minister is saying that it is a secret how much of these goods are consumed. Maybe it is a secret how much of certain commodities is consumed by the Department of National Defence, but for the rest surely the amount of our consumption is not a secret matter.

Mr. Fleming (Eglinton): Consumption is the aggregate of Canadian production and imports less exports. As to information in this realm, it is often necessary for the Department of National Revenue to turn to sources outside Canada. Those sources are prepared to supply these figures, as are sources in Canada in similar circumstances, but on a confidential basis. They are not prepared to have the information given out publicly. The tariff board itself does not want to drag people in there and make them disclose information which, though it may be highly important in helping to arrive at conclusions is not the kind of information which those who possess it wish to make public.

Mr. Pickersgill: What kind of persons?

Mr. Fleming (Eglinton): This legislation takes account of today's needs and is based upon experience and based upon concern for the business community. It is realistic legislation in the interest of all concerned, and I think the business community can be depended upon to see the advantages of this legislation in spite of the benefits of the academic instruction which the hon. member for Bonavista-Twillingate, with his lack of experience would like to impart. The other point I wish to deal with—

The Deputy Chairman: I must advise the hon. minister that his time has expired.

Mr. Fleming (Eglinton): I thought I was making three speeches, having been interrupted so often by the hon. member for Bonavista-Twillingate.

The Deputy Chairman: The hon. minister spent a great deal of time dealing with the questions which were put to him. He did not have to allow the question.

Mr. Herridge: We in this group listened with a great deal of interest to this vehement duet between the minister and the hon. member for Bonavista-Twillingate. I rise to deal with one question of serious concern to some of my constituents. Last evening while I was in my office seeing various delegations from the Canadian Labour Congress the hon. member for Vancouver East, assisted by *Hansard*, brought to the attention of the committee in a very good way certain fears of the British Columbia coastal lumber operators with respect to clause 2(a) of these resolutions and also the fears expressed by the Vancouver board of trade on behalf of primary and secondary manufacturers.

I will not repeat his arguments in expressing my support of what he said. The arguments were well put by the hon. member. I will not take the time of the committee to indulge in repetitions which I have done on occasion. I want to say, however, that exactly the same fears are felt by the interior lumber manufacturers' association and various separate milling industries in the constituency I have the honour to represent.

I have received a number of telegrams and letters from people in the lumber industry in the interior. I will not take time to go into them to any extent but I will read one which clearly illustrates their attitude:

> We feel that amendments proposed in the new section 2(a) of the Customs Tariff Act will increase costs of operation to our industry a primary exporting industry which will result in the lumber industry being placed in less competitive position and add to an already extremely serious economic situation. We agree that encouragement of secondary industry is desirable but it is extremely essential not to place primary industry in a noncompetitive position in our markets.
>
> E. L. Vance, president, Kootenay Forest Products.

I know this gentleman very well. He has long experience in the lumber industry. I can support his claim that the industry is in a serious economic situation at present in the interior of British Columbia owing to the extent of markets and the prices being paid for lumber shipped to those markets. It is presently a marginal operation for the operators in that area. That is why they are concerned about the amendment to the Customs Tariff proposed by this legislation.

If the minister rises to speak again perhaps he would give us the reason why he is amending the Customs Tariff in this respect using what is considered even by laymen who are not familiar with legal matters to be somewhat ambiguous language likely to be open to many interpretations. I have been asked why this has been done and why ambiguous words are used. The words that are particularly objectionable are "approximately the same class or kind made or produced in Canada". The word "approximately" whether viewed in its dictionary meaning or looked at from its application in daily life is a word the meaning of which varies according to personal imagination and one's understanding of the English language.

I should like the minister to tell us why he has made this alteration. I trust he will give consideration to the reasonable fears expressed by the lumber industry in toto in British Columbia and, as far as I am concerned, particularly in the interior where operating conditions are even more difficult than in the coastal area.

Mr. Fleming (Eglinton): Mr. Chairman, the hon. member was not in the committee last night when a similar question was raised by the hon. member for Vancouver East. I believe I dealt with it quite fully in reply. The hon. member will find my observations on this subject at pages 1683 to 1685 of *Hansard*. The hon. member for Vancouver East raised the question as to the word "approximately" and asked for my comment on the alternative suggestion put forward by the Vancouver board of trade in this respect. I dealt with that and the hon. member will find my observations on that subject beginning at the bottom of the second column of page 1684 where, I think, the reasons are given quite fully.

I should like to make what I hope will be a relatively brief observation upon some of the remarks made this morning by the hon. member for Peterborough. Let me say that in general I liked the hon. member's speech very much. It was to my liking not because I approve what he was contending for but because I thought it was a very useful exposure of the fact that if the hon. member typically represents the new party it will not be the spokesman or even the pretended spokesman of labour in this country very long because the speech that the hon. gentleman made was just about as inimical to the interests of labour in Canada as I suppose any speech that any of us has heard in this chamber for a very long time.

Peterborough is a riding that has unhappily had considerable unemployment. Perhaps the hon. member owes his election to that unhappy circumstance. But I may tell the hon. member that in the course of this past decade the kind of attrition to which I have made reference before has greatly weakened and subtracted from the benefits that these provisions in the Customs Tariff were intended to provide for industries and their employees in places like Peterborough. These benefits have been whittled away. That is one of the reasons why there has been unemployment in places like Peterborough.

When we bring forward here a measure to restore to these words the value that they had up until the decade of erosion this hon. member rises in his place and opposes this legislation and in the course of doing so makes statements which show that if he has any knowledge of labour and labour's problems and any knowledge in relation to the problem of unemployment, his knowledge is not more than academic, in my opinion.

The hon. member talked as though this legislation were the expression of a high tariff policy. It is nothing of the kind. I gave an abundance of evidence last night to indicate that this government has loyally observed all the provisions of GATT and that in the three budgets that have been introduced since we came into office in which there have been tariff changes there have been more tariff items reduced than there have been increased. I pointed out some of the things that a government could have done under the existing legislation if it had been minded to use it in pursuance of a high tariff policy. We had only to change by order in council the present percentage defined in pursuance of the powers conferred by section 6, subsection 10 of the Customs Tariff, but we have not done that and we are proposing to give that power back to parliament.

I say that this committee, the people of Peterborough and people outside the riding of Peterborough will be interested to know whether the hon. gentleman who is a member of the new party can be regarded as a champion of the rights of labour and they have evidence to the contrary on the basis of the speech the hon. member made today. The hon. gentleman had the opportunity to show himself as the champion of the rights of labour, a man interested in the employment possibilities of legislation of the kind now under debate, but he has chosen instead to denounce the legislation and in that way to deprive industries in Peterborough and their employees of the benefit that this legislation was intended to give them and which they did enjoy prior to the erosion of the past ten years.

I can tell the hon. member that the delegations which have appeared before my colleague the Minister of National Revenue and before me in regard to matters related to the terms of competition of Canadian producers and Canadian workmen with imports from abroad do not tell us the things that he has told the committee today. There is a deep gulf fixed between the point of view which he exposed in this house today and the point of view that is put before my colleague and myself by the authentic voice of organized labour in appearing before us.

Mr. Pickersgill: The minister does not think the electors have an authentic voice.

Mr. Fleming (Eglinton): I think they do, but it has to be remembered that at times the electors send people here on a minority vote and that members arrive here without having the endorsement of the majority of their electors and that sometimes—

Mr. Pickersgill: I did not suffer that way.

Mr. Fleming (Eglinton): —they are misled as to the position, the platform, the attitudes and the sympathies of those they elect, and sometimes it takes time for them to find out. They are finding out that—

Mr. Pickersgill: The minister is right, they are finding out.

Mr. Fleming (Eglinton): They are certainly finding out and they are going to find out a great deal more on this subject, and what was said here this morning I think will be of considerable assistance not only to the electors of Peterborough but to the electors of other constituencies who may be intending to support candidates of the new party on the theory, the now discarded theory, that they are authentic spokesmen for labour and for the rights of labour.

Mr. Benidickson: May I ask the minister a question?

Mr. Fleming (Eglinton): Not now; I wish to finish what I am saying.

Mr. Benidickson: The minister has heard the voices; would he be specific on those voices?

Mr. Fleming (Eglinton): I took several questions from the hon. member for Bonavista-Twillingate and he made a speech every time. I wish to develop a point. I will take the hon. member's question later.

The hon. member for Peterborough tried this morning to put the Canadian Congress of Labour on the side of low tariffs. While it is true that in the brief put forward yesterday attention was drawn by the congress to the fact that tariff increases, as it is put here, "would not provide any real solution to this problem", that is, the essential problem of the plight of secondary industries in the face of import competition, yet, Mr. Chairman, that is not all that the congress has said, and that is not all that the congress has represented.

Two years ago the congress appeared before the cabinet, and they also made their representations. It happened to come just after a hearing before the tariff board in regard to the imports of rubber footwear coming into the country in heavy volume at that time, both from Hong Kong and Japan. Following that decision of the tariff board, this is what the Canadian Congress of Labour had to say in its memorandum to the government of Canada dated January 22, 1959. I quote:

> We are naturally disappointed at the recent tariff board decision not to afford protection to the rubber footwear industry. This may prove to be the death knell of this long established Canadian industry and seriously affect the future of the small towns in which most of the industry is located. The condition of the textile industry continues to be precarious notwithstanding the fact that some increases in tariff have taken place.

Therefore, Mr. Chairman, let no hon. member attempt to pretend in this house that the authentic voices of organized labour have not been heard, and heard frequently, by the government or by individual ministers of the government in receiving their representations on the subject of the terms of the competition faced by Canadian workmen in relation to imports from abroad.

Then, the hon. member made an extraordinary statement in which he said that dumping may be legitimate trade practice. This is a most extraordinary statement. Here we have an hon. member saying that dumping may be a legitimate trade practice. Let me say to him that there is nothing legitimate about dumping.

Mr. Pickersgill: That is not what the hon. member said.

Mr. Fleming (Eglinton): The provisions of the GATT—I have not given the floor to the hon. member.

Mr. Pickersgill: He did not say that at all.

Mr. Fleming (Eglinton): The provisions of the GATT make it quite clear that the GATT regards dumping as an inadmissible practice.

Mr. Deschatelets: He never said that.

Mr. Fleming (Eglinton): Mr. Chairman, dumping is the sort of thing that, as a trade practice, has been put under the ban and condemnation of this house over the years, and put there in stronger legislative form in 1958. I hope the hon. member for Peterborough will soon learn that dumping is a practice which is capable of robbing Canadian workmen of their jobs.

Then, Mr. Chairman, the hon. member went on to say that we should have import boards, and let the import boards determine what industries have a place in our society. This means that he is proposing that the government should set up boards and take this right away from parliament, and the hon. member for Bonavista-Twillingate rose in his place at the end of the speech and said that it was a good Liberal speech. This proposal was to take something out of parliament and put the power in the hands of an import board to say what industries in this country have a place in our economy. Do you realize what that means, Mr. Chairman?

Mr. Pickersgill: The minister is willing to put it in the hands of the Minister of National Revenue.

Mr. Fleming (Eglinton): It is suggested that we confer upon a board, which could be entirely bureaucratic, the right to decide what industries in this country should be marked out for survival and what industries should be marked out for the sentence of economic doom.

Mr. Pickersgill: The minister prefers to give that power to the Minister of National Revenue.

Mr. Fleming (Eglinton): That is socialism. It is the kind of socialism that can strangle enterprise; it is the kind of socialism which expresses itself in that kind of bureaucracy. As long as this government is in office it is not going to set up any boards to pronounce the doom of any Canadian industries or pronounce the death knell on the jobs of Canadian workmen. No, Mr. Chairman—

Mr. Pickersgill: Just a single minister.

Mr. Fleming (Eglinton): Let me make it very clear, then, Mr. Chairman, that when we hear what is the first voice in this house of the new party we hear a doctrine that is absolutely inimical to the interests of Canadian workmen, that contemplates the destruction by bureaucratic means of some Canadian industries. If the Canadian people want that, then I do not know the Canadian people. The Canadian people know that with this present administration every reasonable effort is going to be made to give a decent opportunity to Canadian industries and Canadian workmen to compete with the imports that are coming into this country, and to do so at all times with due regard to our obligations under the GATT and to our position as a great exporting nation. We have shown ourselves at all times deeply conscious of the necessity of maintaining those relationships and that position of Canada in the markets of the world.

Therefore, Mr. Chairman, I leave this subject. This is a doctrine that the hon. member for Bonavista-Twillingate, in his laudatory remarks, said at the conclusion of the speech this morning by the hon. member for Peterborough—apparently he regarded it as good Liberal doctrine—was a Liberal speech. He hailed it as a Liberal speech, the kind of speech that I say can find a way of pronouncing the doom of Canadian industry and the jobs of Canadian workmen.

Mr. Pickersgill: The minister knows very well that I did not endorse the whole speech. I endorsed the concluding observation with a degree of praise. I want merely to correct the untrue statement just made by the Minister of Finance. I did not endorse the whole speech of the hon. member at all. I said that his concluding words, which were words of—

Mr. Fleming (Eglinton): No.

Mr. Pickersgill: —commendation for the liberation of trade were spoken like a Liberal, or words to that effect.

Mr. Fleming (Eglinton): I am afraid the record will not bear you out on that.

Mr. Pickersgill: I will review the record, and so can the hon. member.

Mr. Benidickson: I know the hon. member for Timmins wants to make some remarks. I rise only to ask a question following the minister's remarks. The minister indicated that at the proper time he would be prepared to answer my question. In his recent remarks he referred to the voices of labour which he and the government had received.

The Deputy Chairman: Order. I understood the hon. member for Kenora-Rainy River just wanted to ask a question.

Mr. Benidickson: That is right. As you will remember, Mr. Chairman, I rose when the minister was speaking—

The Deputy Chairman: The hon. member for Timmins wishes to make some remarks. If the hon. member for Kenora-Rainy River wishes to ask a question he may do so.

Mr. Benidickson: The minister indicated that at the conclusion of his remarks he would be prepared to receive from me the question I had risen to ask him and which he preferred to have at this point. In his remarks with respect to the attitude of the hon. member for Peterborough the minister referred to having received as a minister of the government representations from labour with respect to the tariff question. Would he indicate from what voices of labour in Peterborough he has received approbation of the legislation presented to us?

Mr. Fleming (Eglinton): I did not confine myself to Peterborough; I was not speaking simply about Peterborough. I was speaking about the voice of labour generally. We have had representations from labour organizations and very often the delegations are accompanied by representatives of the labour organizations.

Mr. Benidickson: I take it then that the minister suggests that he has heard from labour representatives of the rubber footwear industry but from what other labour representatives whose voice he would respect has he received representations in support of this kind of legislation?

Mr. Fleming (Eglinton): There have been a number of them. I would not attempt to give a complete list now. My colleague, the Minister of National Revenue, has also received many of them. We certainly have had representations from labour in the rubber footwear field. We have had representations from labour in the silver flatware field. I have had a number and the Minister of National Revenue has had even more.

Mr. Regier: Mr. Chairman, I should like to correct the misinterpretation that the minister had placed on the comments of the hon. member for Peterborough. The minister has indicated that organized labour wants tariff protection. Organized labour has contended annually for many years now in its presentations to the government of the day that it is not asking for high tariff policies because in the eyes of organized labour high tariff policies rather than providing employment are a major cause of unemployment such as we have in Canada at this time.

This does not mean to say that organized labour is in favour of free trade. Organized labour has continually asked for protection of various enterprises when it is in the national interest to do so. The resolution says that it is expedient to introduce a measure to amend the Customs Tariff so as to provide certain things. I regret that it does not read that it is expedient to introduce a measure to abolish the Customs Tariff and to replace the whole tariff structure with adequate legislation enacted by parliament which would be based on recommendations of export and import boards as to what enterprises in Canada should receive all-out protection, which ones should receive partial protection and which ones should receive no protection whatsoever. To indicate that the hon. member for Peterborough was not adequately defending the interests of labour in Peterborough was a gross misrepresentation indeed because even the people of Peterborough know that high tariffs are not the answer.

The minister has made a great point of advocating that this measure is necessary to provide protection to Canadian industry and supply employment to Canadian labour. It is our contention that the enactment of the legislation which will follow the resolution is going to add to unemployment in Canada in that we will very definitely be handicapped in our efforts to hold down Canadian costs of production. I cannot for the life of me see why machinery entering into either primary or secondary production in Canada could not be exempted from the proposal that the government is now placing before us.

The minister made the statement that this legislation is going to be applauded by the business community of Canada. I have yet to hear any applause anywhere in Canada with respect to the proposed legislation except for the odd real dyed in the wool Tory newspaper editors writing editorial comment on the action proposed by the government. The minister admits that the purpose of the legislation is to raise tariffs and yet when we say that the Tories are raising tariffs there are heated and angry denials as though the loudness of voice of the minister is going to make it so. Regardless of the loudness of his voice, a reading of *Hansard* alone will convince any Canadian that the aim of the government is to use this resolution and the legislation to follow for the sole purpose of raising tariffs on imports into Canada.

The minister claimed that the other member nations of GATT are not complaining. We believe that we have reason to think that other nations have complained in the past about the actions of the Conservative government when at every possible turn they are taking advantage of the loopholes that exist under GATT and, while paying lip service to the principles of GATT, are eroding those principles by the many minor actions that are being undertaken from time to time. That is why I indicated in the budget debate that actions of this kind by member governments are undermining the possible future existence and extension of the very basic principles of GATT.

The minister knows very well that it is not part of our plan to have import boards arrive at decisions as to what enterprises are to receive adequate protection. Import and export boards are meant to act in an advisory capacity to whatever government happens to be in office at the time and as advisers to legislators generally. We say that there is an alternative to a policy either of high tariffs or of low tariffs and that the whole concept of tariffs in this day and age is outmoded as a useful instrument in the hands of government and has to be replaced. Otherwise we will have either low tariff policies which will ruin legitimate Canadian industries and cause unemployment or we will have high tariffs which in turn will cause unemployment as they have always done in the past.

The minister is very worried about the effect throughout Canada of the election in Peterborough. We are very well aware of that, but I felt that for the minister to attempt to misrepresent the position of labour on the question of tariffs was not in keeping with the debate now taking place. If the minister wants to know the position of labour on the whole subject of tariffs he only has to read the briefs that the organized labour movement as a whole has presented to the government over many long years now. While labour contends that a policy of high tariffs is not the answer to unemployment, labour also realizes that there are industries in Canada which in many cases may need not merely partial protection but all-out protection through the actions of the government of the day.

Mr. Woolliams: I should like to ask a question of the hon. member who has just

spoken. If I understood him correctly, he suggested that industry should be controlled by boards so that they could set tariffs to protect the industry that needed protection and the industry that did not need protection. I was wondering whether he thought the same boards or boards of a different type should control organized labour at the same time.

Mr. Regier: Mr. Chairman, I was not even recommending that the import or export board should control anyone. The import or export board should only look at the statistics and the facts and, bearing all factors in mind, make known to legislators their findings. I see no reason why we should not have a policy whereby we import into the lower mainland of British Columbia a fixed amount of potatoes at certain definite seasons of the year without the handicap of a tariff and at other times, when it may be deemed in the national interest, block them from ruining our own Canadian producers.

Mr. Benidickson: This is the first opportunity I have had to speak, Mr. Chairman, except to ask a question, since the Minister of National Revenue spoke before the luncheon adjournment and for a few minutes after the luncheon adjournment. We may have had some fairly strong language used in the consideration of this resolution. I think perhaps it is justified because some great changes are being made in connection with historic patterns with reference to goods of a class and kind made in Canada or not made in Canada; and this is so despite what the Minister of Finance has tried to suggest to this committee.

The Minister of Finance makes a statement and he perhaps thinks we are naive enough to accept it as being important. He says this legislation presented to us now involves no change in rates. What could be more fatuous or more out of line in real meaning than a statement of that kind? The minister himself is the author of the statement in this debate that some 70 items of great consequence in our tariff schedules involve rates of tariff duty which ultimately go down into our economy as an expense to our consumers, and they involve rates that could be for the most part either 7½ per cent or 22½ per cent. That is an increase of 15 per cent.

In the strict interpretation of his words the Minister of Finance may be truthful when he says that what is before us is not making any change in tariff rates in so far as what is before us is not changing the numerals in the tariff schedule with respect to any of these important items. However, I hope no member of the committee will be misled in the slightest degree into thinking that if we are changing the rules upon which there is judgment as to what article is made in Canada as against what article is not made in Canada we are not here in this committee in effect making a great change perhaps in the rate of tax that will apply to the articles involved.

In particular, it has been made evident that in respect of articles that are described here as goods custom-made to specifications we are dealing with extremely expensive items; and perhaps, even more important, we are dealing with items that are of the kind that would be purchased by our broad base of producers and manufacturers across this country. I refer to machinery and heavy articles of custom-made goods.

Everyone whom I have heard who is entitled to respect these days in connection with some of our economic difficulties always includes in his speech a reference to the importance of not only doing something in the nature of increased production for our domestic market, he also emphasizes the importance of getting into the export market. I suggest that nothing could be more fatal to that wide group of producers or manufacturers than not to make sure that they are not subject to costs in connection with their original capital costs, particularly related to the machinery of their production, that would first of all perhaps deter them from entering into new fields of endeavour or, in replacement of existing plant, would prove so expensive as to cost of this machinery in relation to what they could get in the cheapest market that it would prove that they could not compete effectively in the export markets of the world.

The hon. member for Vancouver East referred to briefs that he had received from a number of important industries in this country represented in his province of British Columbia. They were notably, I admit, in the extractive and resources industries. On the other hand, however, this consideration goes right through the piece. As far back as 1890, I believe, when a Conservative government was in power, that government despite the pressure that a Conservative government generally gets from manufacturers in this country and quite irrespective of the interests of consumers, through the then minister of finance, namely Mr. Foster, perhaps for the first time decided that this item "of a class or kind made in Canada" was important. He recognized then that one must not look solely to the plant and its labour which would create these machines which involve capital expenditures but that one, in looking to the broad interests of all Canadians, must look to the necessity of making sure that the entire level of manufacturers in this country were given a break to the extent that the costs of

capital equipment were not originally priced at such a point beyond international figures that they could not ultimately compete with their international competitors. That idea is of the essence here because we have had an admission that these items described as goods custom-made to specifications are of the essence of the debate that we have been pursuing.

Mr. Nowlan: It is the first time it has really been raised.

Mr. Benidickson: In this area we also find our chief concern because, despite the comment a moment ago of the Minister of National Revenue, it is in this sphere where we suggest improperly, undesirably and with perhaps havoc to the country, we are giving ministerial final discretion and we are taking away the opportunity of people affected to have the right of appeal to an outside tribunal beyond politics and beyond the minister, a tribunal that has its decisions even subject to appeal through our normal courts, namely the exchequer court and the Supreme Court of Canada.

It is here where I feel there is no justification whatsoever for this legislation. We will not support the loose phrases that are in this definition. To my mind the word "approximately" practically makes a nonentity of anything serious in connection with this legislation.

Mr. Bell (Carleton): What would the hon. gentleman suggest.

Mr. Benidickson: I think perhaps I could suggest something more definitive and accurate. That, of course, is not my responsibility. The hon. member for Carleton may hear an amendment that may be more accurate in that respect. I do not know whether or not he is inviting that.

But certainly by dictionary definition, or by reason of the particular power given to the minister to interpret the word "approximately", this language is unduly loose, wide, indefinite and uncertain. I think this is the centre of the ministerial final and ultimate decision that is involved in these matters.

I insist again that this is not going to assist industry in this country to embark on new enterprises. I am convinced that uncertainties will prevail when these matters are not subject to judicial, open and known decisions, when these decisions come from a back room and are final in the office of the Minister of National Revenue, case by case, and because of the looseness of the language that prevails here industry will be discouraged from taking the initiative and deciding to take a chance on introducing some new endeavour into the industrial activity of this country.

I thought this point was most effectively made by the hon. member for Bonavista-Twillingate today. I still think that, while we heard about "Alice in the Looking Glass" and some other off-base comments, no minister has given this committee an adequate answer to that important question which was raised. The question was this: If you are proposing that there should be a redefinition to describe a class or kind of goods that are produced in Canada, why do you not give it to the parliament of Canada to study, and why do you not allow our courts —not a political office—to determine in the future whether a particular item of goods does or does not meet the specifications that the parliament of Canada has in its judgment determined are proper, even if it is by revised and more up-to-date language, having regard to the decisions of certain judicial courts which were referred to in the debate yesterday?

I think this is of the essence. The minister says that over the history of this country there have not been many appeals. Of course that simply emphasizes the necessity for maintaining this right on the part of every Canadian, with respect to a tax, to have a right of appeal beyond the political level, rather than to reduce and deny that right as in substance is being done in this legislation.

Mr. McMillan: Mr. Chairman, may I ask the hon. minister a question. Has the minister attempted to figure out what change there might be in budget revenues as a result of these amendments?

Mr. Nowlan: Mr. Chairman, it is impossible to try to delineate or prophesy the amount of revenue which would be effected by any of these rulings. Obviously such rulings as might be made according to the dire prophecies of my hon. friends opposite will result in a substantial addition to the national revenue.

Mr. Benidickson: If there is further protection there will be additional revenue.

Mr. Nowlan: There will be additional revenue; there is no question of that. How I can answer it otherwise, I do not know. That is the one intelligent comment that my hon. friend has made during the day's debate, and I welcome his return to sanity. However, I do not think there is anything one can say of a specific nature. As a "class or kind" ruling of that nature is made it does, as my hon. friend pointed out, attract a higher rate of duty.

Mr. Pickersgill: Which is not paid.

Mr. Nowlan: Of course it is paid.

Mr. Benidickson: I realize I was going against my own argument—

Mr. Nowlan: That is nothing new.

Mr. Benidickson: —because my point was that the article might prove to be 15 per cent more expensive by reason of customs duty only, and we all know that every businessman also takes a fee for financing the original cost of his merchandise. So there would be a subsequent mark-up over the 15 per cent before the machinery, perhaps, reached the ultimate consumer. There would be discouragement to even starting out by purchasing capital goods of that nature. But in the end perhaps, as the hon. member for Bonavista-Twillingate said, it would mean even less revenue than now; and of course we would have less employment than now, or less employment than possible, because of the fictitious costs provided at the original base of starting up a factory which would provide jobs.

Mr. Pickersgill: Mr. Chairman, there are a few factual questions that I would like to ask. My first question is this. I assume—and I base it on an assumption, and my assumption may be wrong—that the reason the government now proposes to bring custom-made goods within the ambit of the "made in Canada" provision is that they have had representations made to them that there are cases where, if the duty were high enough, these goods could be made in Canada. I assume that representations have been made to the government and that the government is aware of industries where this could take place. I think before we are asked to make this quite revolutionary change in the law we should be told precisely what those industries are.

Mr. Nowlan: Mr. Chairman, goods of this kind are not being brought in for the first time. There have been rulings on custom-made goods. I have made rulings myself within the last 18 months on goods of the custom-made kind. You get a cartel—

Mr. Pickersgill: I think I have not made my question clear and I am sure the minister does not want to answer a question the answer to which does not interest me. What is revolutionary about this is that the minister may decide there is a capacity to make them in Canada, instead of the 10 per cent that is made in Canada. I am interested in finding out just what are the categories of industry, manufacture and all other forms of production about which the government has had representations that has led them to think that if this change is made in the Customs Tariff there will be greater production in Canada.

Mr. Nowlan: Yes. I think the question can be answered "yes".

Mr. Pickersgill: I should like to know what they are. Normally when a change is made in the Customs Tariff it is not made in vacuo simply because somebody has had an airy fairy notion that it might have some effect. These changes are based on concrete information, either information which the government has assembled itself or more usually because it has been lobbied, because certain people have approached them and said: We could make a certain kind of bulldozer which has never before been made in Canada, but we cannot make it to compete on the basis of the duty on that article at the present time; if the duty were 15 per cent higher, we could do it.

Mr. Nowlan: Certainly, it would not apply to bulldozers. There, you might get that iniquitous word to which so much objection has been raised, the word "approximately". There might be a question of whether it could lift five tons or five and a half tons, or whether the shovel capacity was three yards or three and a half yards. I am not an industrialist, and I am not speaking with the tone of authority which the hon. gentleman has adopted all day in dealing with these questions. I am not speaking pontifically about all these things. The hon. gentleman has spoken about what goes on in pressure groups and lobbies—subjects with which we are not accustomed, though perhaps we shall be more accustomed to them after 23 years.

What could come in, for example, would be atomic reactors; a thermogenerator could be one of those articles; material and equipment of that kind, which is very heavy equipment of the type which is being increasingly used today because of the change in technology.

The great change in technology which has accompanied the introduction of atomic energy has only developed in the past few years in this country. We first developed our hydroelectric energy. We have harnessed, to a large extent, the streams and rivers at our disposal where this can be done economically. The St. Lawrence waterway is perhaps one of the last we have here in this area of Canada. The Columbia river is another river to which this government is paying attention, and great progress is being made there.

But having exhausted the economic development of hydro you then get thermo-generators. These are, of course, made to specification; they are custom-made. It takes, I am told, a long while to make them. These

are some of the fields in which this legislation may be used in the future to provide employment for Canadians and the development of Canadian industry.

Mr. Pickersgill: I must say that is pretty vague stuff as, I think, the minister will admit. The hon. gentleman is going to have to decide three questions here. It seems to me that under subsection 3 (b) he will have to make a final decision whether the goods are custom-made to specifications. I admit that is probably not an impossible decision to make.

Mr. Nowlan: An easy one, I think.

Mr. Pickersgill: It would not always be easy. But the minister has to decide on a much more important question. He must then decide whether adequate facilities exist in Canada. My imagination does not go far enough to enable me to imagine that any government would bring in proposed legislation of this sort unless it had in mind certain specific industries, specific facilities now available in Canada for the manufacture of particular goods which are not now being made in Canada but which the government believes could be made in Canada under the higher duty. It seems to me the government should come clean and tell us what they are. What are we legislating about? Let us have this information in specific terms.

Mr. Nowlan: I think I have already answered that question. I think perhaps the hon. member is being a little more impervious than he usually is, because he apparently wants to stall this debate until five o'clock. I have already said that one example of a machine, or group of machines coupled together, which could be custom-made would be an atomic reactor or a thermogenerator. We have John Inglis who have been working on one; General Electric have been working on one. It is easy enough—I will not say easy; it needs the advice of engineers and inspection by competent officials—but it is a relatively simple matter to determine whether General Electric, for example, can produce a light bulb or whether they can produce a generator or not. These are matters which require an investigation by officials and experts who would then advise in that connection. I am sure the hon. gentleman is not suggesting for one moment that it cannot be determined whether adequate facilities for the production of whatever particular custom-made instrument or engine or productive machinery to which an order may apply exist in Canada or not.

[Mr. Nowlan.]

Mr. Pickersgill: I was not attempting to suggest that. The minister is misunderstanding what I am trying to find out. I am trying to find out where those facilities are at the present time which created in the mind of the government the impulse to bring in this legislation. I do not believe the government dreamed this up. They must have some specific imports in mind which they think could be made in Canada if this legislative change were made. If this is not the case, I think it is irresponsible to ask parliament to deal with the situation.

The government is asking us for a change in our present tariff structure, a change which, because it is clearly protective, is undoubtedly going to arouse hostility among certain of those who at present export goods to Canada. I am not saying this is necessarily a reason why the legislation should not be enacted. I am seeking information. I want to know what facilities exist here which in the view of the government could be used to manufacture goods in place of those now being imported.

I am sure that when Sir John Macdonald introduced the national policy in 1878 he did not just say: if we raise the tariffs a lot of goods will be made here. He raised specific tariffs on specific things for the purpose of promoting manufacture. It is true that at that time the tariff was a much cruder instrument than it is today and that it was imposed mainly for revenue purposes, but the tariffs were raised higher on certain categories of goods because it was considered that with a higher tariff goods would be made in Canada.

An hon. Member: It was a good thing, though.

Mr. Pickersgill: The hon. member is entitled to his own opinion about that. I do not think it would be relevant to debate the question, interesting though it might be. What we are discussing now is whether we ought to give the Minister of National Revenue the power to raise tariffs on certain imports which now come into Canada because he believes that adequate facilities exist in Canada for the manufacture of those goods. I wish the minister would tell us right now what the things are that the government knows about that it believes there are adequate facilities for so that we will be equipped with knowledge of the facts and will not be simply speculating on the subject.

Mr. Nowlan: Mr. Chairman, I hope that the capacity of Canadian industry is not so limited that in a moment or two I could foresee and prophecy all the developments that will occur in Canadian industry in the years to come. If

one looks today at our achievements compared with those of 20 years ago—

Mr. Pickersgill: Before C. D. Howe, you mean.

Mr. Nowlan: Do not bring C. D. Howe into this. We give him full credit for all that he did. There has been much reference made this afternoon to one debate which is a subject of great embarrassment to my hon. friends opposite so I fail to see why they are bringing in that gentleman's name at the moment.

I should not have liked to make a prophecy 20 years ago concerning developments which have already taken place in Canadian industry. No one can tell what scientific and industry. No one can tell what scientific and technological developments may occur within the next few years. I have already mentioned atomic reactors and thermal generators. These are two things—particularly thermal generators—concerning which it is assumed that within the next few years interesting things will occur because of the development of our economic hydro resources. There may very well be more thermal generators in Canada in the future. If a Canadian firm succeeds in getting a tender on the construction of a thermal generator it can involve thousands upon thousands of man hours of employment. It can succeed in developing an industry here from which at the moment due to competition from outside this country our producers have been excluded from entirely. There has been one made in Canada during the last year. A ruling was made. I made the ruling that it was of a class or kind made in Canada. I am very happy that I did it, too. There was no appeal. There were none of the dire consequences about which we have heard lamentations, griefs, prophecies and fears. All that ensued from it was the provision of employment for Canadians, thousands of Canadian man hours.

That is what this government is going to do. My hon. friends opposite talk about exports and putting on increased costs in relation to the export industry, thereby depriving us of employment. This government is watching that factor. We are not trying to increase the cost of exports. After all, as was said last night, during the relatively short time I have been in office, a period of between three and a half to four years, there have been scores of rulings of class or kind made in Canada. What happened? Under the aegis of my friend the former minister of trade and commerce and now under the new Minister of Trade and Commerce Canada's exports last year were greater than ever before. They were greater than they were under hon. gentlemen opposite who have been weeping saline tears about the future of Canadian exports. My hon. friends do not need to worry about that. We are looking after that matter just as we will look after the question of Canadian employment.

Mr. Chevrier: The government is not doing very well with respect to employment.

Mr. Nowlan: We are doing very well. We have had the two schools of thought among hon. gentlemen opposite, one represented by the hon. member for Essex East, pompous Paul, tramping up and down and ringing the rafters with his howling about unemployment, and the other represented by the member for Bonavista-Twillingate shrieking cries to high heaven about what we are going to do to the Canadian consumers. Hon. gentlemen opposite are trying to make the best of two worlds simultaneously, but they have made an awful mess of both of them.

I certainly do not pretend for one moment that the problem of unemployment is going to be solved by this government unassisted. It requires the co-operation of everybody. We are convinced, however—and we are advised to this effect by labour unions, management and employees—that by means of measures such as this the government is taking steps which will result in increasing the efficiency of Canadian production and in creating additional Canadian employment. Whether that is right or wrong is another matter. Every government has to make decisions on the basis of the best information it can get and on the basis of the technological situation confronting it at the moment. We are convinced that the measure before the committee at the moment is in the best interest of Canadian producers, Canadian employees and Canadians generally, and that instead of interfering with our exports, or prejudicing them, it will add generally to employment and the productive capacity of Canada.

Mr. McIlraith: Mr. Chairman, while I admire some of the poetic eloquence employed by the minister in portions of his arguments there is one pattern or thread running through his argument that concerns me very greatly, and that is his insistence on the fact that because we—the minister uses the term "we" meaning the government—are convinced that this legislation is good legislation, therefore he does not have to answer any questions of the opposition or explain precisely and in detail the reasons for the resolution for which the government is seeking the approval of the committee. That is where my difference with the minister and his colleague lies. That pattern has run through the whole of the debate on this resolution.

Mr. Fleming (Eglinton): There has been no such thing.

Mr. Nowlan: Perhaps my hon. friend would be good enough to explain what he thinks my colleague the Minister of Finance and I have been doing here in the committee for the past few days if we have not been answering questions.

Mr. Pickersgill: Making speeches.

Mr. McIlraith: The minister has made little attempt to explain the resolution and the Minister of Finance has devoted his time to vicious attacks on the personalities of those persons who have dared to express a point of view different from that which the minister espouses and he has rarely addressed himself to the resolution before the committee.

Mr. Nowlan: I have attempted to deal with any questions that have been raised.

Mr. Fleming (Eglinton): Is this not a vicious attack on my personality?

Mr. McIlraith: Mr. Chairman, the Minister of National Revenue asked me a question and I am attempting to answer it. I will make no comment about the manners of the Minister of Finance. I am content to leave it to those who read *Hansard* to form their own assessments as to his manners and conduct as a minister of the crown in seeking the approval of the committee for a resolution brought before it by him. If the hon. gentleman chooses to make personal references to me or about me, that is a matter of complete indifference to me. The minister may make all such references he wishes to, and I hope that will relieve his mind.

Earlier this afternoon when he was asked some very relevant questions the Minister of National Revenue devoted his reply to expounding the argument that no hon. member of the opposition knows anything about this difficult subject whatever and that he and the Minister of Finance do. The hon. gentleman is at perfect liberty to advance that sort of argument if he likes. I for one have always found this legislation quite difficult. I have found the subject complex and difficult. I have never asserted special knowledge of it. I suspect that on occasion the minister has his own problems with it.

Mr. Nowlan: The hon. member is right.

Mr. McIlraith: Anyone else who ever deals with it recognizes at once that they have problems with it. However, the minister asked me a question and I felt he was entitled to an answer. The point I want to get at is that there has been a constant repetition by both ministers of the argument that because we, the government, think this is good legislation it should go through, which is not an answer to the questions which have been asked.

[Mr. Fleming (Eglinton).]

A moment ago the Minister of National Revenue said that no one can tell what future developments will be. He was addressing himself to the problem of the terminology custom-made to specifications, I do not think anyone will disagree with that statement too much because technological changes are very rapid, but the point I want to make is that that is not the basis on which to introduce legislation under which the minister is taking away from citizens the right of appeal to a tribunal and arrogating that power to himself as he is effectively doing in these provisions. That is particularly true when you bear in mind the fact that the right involved is that of an appeal by a taxpayer, the consequences of a decision on which may be to impose taxation. It is a very serious thing when such arbitrary power is taken by the minister.

In answer to my friend the hon. member for Bonavista-Twillingate, the minister said it was an easy decision to make whether or not goods are custom-made to specifications.

Mr. Nowlan: To order, I said; I said, custom-made to order. It is easy to determine whether or not there is an order.

Mr. McIlraith: The whole point and argument back of so many of the kinds of machines coming into plants in the manufacturing business have to do with whether the machinery is something that is custom-made to specifications. You can engage in endless arguments on that subject. I do not want to elaborate the problem here but it is possible to engage in endless arguments as to whether a machine is custom-made to specifications.

With due deference to the minister, it is not an easy decision to make. It is one of the sources of continual representation to departmental officials and to others concerned with the administration of the act. To generalize and to brush it aside and say it is an easy decision to make is not good enough. The decision may be easy enough for the minister to make when he is dealing with certain of the newer plants such as the atomic energy plant, but let him apply his mind to that other problem, namely the ordinary manufacturing plants which are making consumer goods, and see how difficult it is.

There was some confusion arising out of my remarks last night. I am afraid I did not clearly understand the implications of an interjection by the minister. As a matter of fact, I did not hear it clearly. The interjection was made when I was seeking to point out a distinction between those types of machinery which are not custom-made to specifications, but are used in the manufacturing and production field and are not consumer goods in the ordinary sense at all. My reference was

to such machine tools and machinery. When one reads *Hansard* today one sees that there was confusion on that point. There was an interjection from the hon. member for Carleton which I at least thought had to do with off the shelf goods mainly, but that was another point altogether. The minister says he cannot tell what the development will be in the future; therefore, he is not sure. I deduce from that statement of his that that is why he would need this power. Why is he then taking away from the tariff board the right to make this adjudication? The tariff board is being enlarged and, as I said, I am happy to hear that.

In the concluding part of his argument this afternoon the minister referred to a decision he made that something was of a class or kind made in Canada and everybody was happy and that the results of that decision were very successful. I am not making this as a personal reference to the minister who made that decision, but he had the knowledge, and the staff had the knowledge that that decision was subject to appeal to the tariff board. Let me remind him of that fact. Let me remind him of the fact that the importer also had that certain knowledge in his mind. I am quite happy that the minister made that successful decision, but let us not be under any confusion about what the effect of this legislation is and what its possible implications may be.

I regret this attempt to accuse anyone who is opposing this method of legislating on this difficult subject of being unfriendly to the economic development of this country or trying to create unemployment in the country. It just is not that way at all. This is difficult legislation on a definition that has caused trouble to succeeding governments over a considerable number of years. Surely what is required is legislation that would provide better certainty and better clarity in the economic field and that would meet the situation and not worsen it.

If he likes the minister can accuse me of having a suspicious mind, I must reiterate that I find this proposed legislation on the points we have been arguing about wholly offensive. I think it is the wrong way to deal with the problem. I think it is a way that is only going to add to the trouble. I think it is a way that is going to, depending on the whim of particular administrations at particular times, lead to an increase in the tariffs on a good many items. That may or may not be desirable. The minister will argue and some will argue that it is in certain cases; but there is this other side of the coin that I want to point out. It may be that improper decisions on this definition will increase the cost of production of our goods.

Last night I tried to point out to the minister the dangers of having firms, as a result of improper rulings, take machinery that was not quite the best and most efficient they could get and install it in their plants instead of having in those manufacturing plants the most efficient machinery we can possibly get. That is the nub of the problem that secondary industry is having today.

A few minutes ago the minister said something about exports. I invite the minister to examine some of the problems relating to exports. I refer to categories of goods comprising our exports. It is rather difficult to generalize about them, but let the minister examine them in relation to secondary industry in this country. If he does I do not think he will make, shall I say, the same glib statements he has just made on the subject of exports. But more particularly I ask him to consider the implications of wrong use being made of this provision on the cost factor of consumer goods being used in Canada. I point out to him that if those goods are not produced economically and cheaply in Canada, then the pressure is to import those manufactured consumer goods and that is where he gets to the nub of the employment situation in the manufacturing industry. He had better have a bit of a look here and examine rather carefully into the matter.

I wish to raise one other matter. Just before lunch I sought to ask the minister a question when he was dealing with this point. I sought to ask the Minister of Finance a question on the same subject when he was speaking. I refer to the matter of secret information that the Minister of National Revenue has that is not available to the tariff board. The minister pointed out the fact, which is very true as I well know, that the tariff board very frequently gets information from the Minister of National Revenue about quantity of imports, and so on, on which to found their judgment.

I would also like to have this matter clarified. The clear inference from the remarks of both of the ministers was that the tariff board did not also have procedures for getting such confidential information on those matters from his department and, in many cases, confidential information which the Minister of National Revenue does not have in his department. That is the impression which both ministers left, and I do respectfully want to differ from them on this matter of tariff board procedure. I ask them to address themselves to this point and explain to us just what type of confidential information is it that the tariff board has not been able to get that enables the minister to come here now and say he should have the right to make a decision and there should be no

appeal to the tariff board. Perhaps I might conclude my remarks for now until I get an answer on that specific point because I should like to have it cleared up.

Mr. Nowlan: As I have said and as the hon. member says, it is customary for the tariff board to get confidential information from the Department of National Revenue. It may be that the tariff board has some machinery for the obtaining of confidential information on their own behalf. I have been told, though I do not know this, that the tariff board, although it makes inquiries from our department with respect to information for background purposes, is very reluctant to get information of a confidential nature on its own initiative because it cannot use it publicly. It does not want to be in the position of basing a judgment on confidential information. I have been accused today that I would be doing this, that and the other thing without the right of appeal, but obviously the tariff board does not want to base judgments on confidential information and ascribe its reasons for judgment to confidential information. My understanding of the practice is that the board substantially gets its information from witnesses, and from the Department of National Revenue and they do have—I am not positive about this but I will accept the hon. gentleman's word for it—some machinery whereby the board itself can acquire certain information on a confidential basis.

Mr. McIlraith: The point I was getting at was that any confidential information the minister had would presumably have to do with the quantity of imports.

Mr. Nowlan: And also, of course, as to Canadian consumption. Take the question of the 10 per cent. What do you have to do? You have to find out how much is imported and we have the figures. Then you have to get confidentially from various firms, or perhaps not confidentially, the amount that they have manufactured this year and the amount they have sold. We add the two together and that gives you Canadian consumption, and then you ascertain your 10 per cent or more.

Mr. McIlraith: That is precisely my point. In determining Canadian consumption one factor is the import data which the Minister of National Revenue has.

Mr. Nowlan: Definitely.

Mr. McIlraith: It is very definitely a factor and it is information which the minister can easily make available to the tariff board. I have always been under the impression that it was being made available to the tariff board and I have always thought that the board has very excellent machinery for handling questions of a confidential nature so that there would be no prejudice to the individual firms concerned. I have always thought that the board was an example of a very competent board in that respect and I have a high opinion of their work. However, there is a lot of other information that comes from other sources which has to be gathered together, and from the minister's argument I could not see that he was in any better position to assemble that information than was the tariff board.

Mr. Nowlan: Except that I suggest this without interrupting the hon. member, although I suppose I am interrupting him, that the tariff board can get specific information with respect to a specific matter which is before it at a particular time. If they have these powers I am sure they are limited to obtaining information on the specific question. We, on the other hand, and I refer to the officials of the department, because of the fact that we are dealing with all imports at all times and Canadian production generally have this information and are in a position to get information of a confidential nature on a general basis which would not apply to a specific question relating to a specific firm before the tariff board at this particular minute.

Mr. McIlraith: I do not want to digress too far into the argument about the tariff board. The board has quite good research facilities and its membership is being enlarged. With deference to the minister, I think I can leave the matter this way, that I find there is some difference in our views as to the possibility of the tariff board doing this job. I think that is perhaps a fair way to leave that point.

There is one other thing. I cannot for the life of me understand this. The Minister of National Revenue spoke several times about the relatively few appeals from departmental rulings. If there are relatively few appeals and the tariff board is being enlarged so it can sit in several panels, what is the logic in taking this appeal work away from the board? Would he explain that? To me it is a simple proposition and I just cannot follow the minister's argument.

Mr. Fleming (Eglinton): It has been repeated time and again.

Mr. McIlraith: I beg to differ. The Minister of Finance would not address himself specifically to that simple proposition. He went into large areas around it with considerable force and vigour but he did not stick to that point and explain it to us in a way that was relevant. I wish he would do so.

Mr. Nowlan: Of course, the converse or the other side of the coin is certainly true. If there have been very few appeals exercised, if there has been very little done under the appeal section, then there was no basis for all the blatant outcries we have heard today about the public of Canada being deprived and robbed of something of substance. If my statement is correct and the hon. member accepts it—I am speaking in general terms and not of a specific fraction of one per cent—if there have been very few appeals entered then there has not been this great damage done. We are entering a new field here where undoubtedly there are areas of dispute but we do not want to provide an opportunity for fictitious or fractious appeals in order to delay matters. As my last word before five o'clock and I hope in this debate, although I am perhaps sanguine, I say that these matters on which we are accused of depriving the public of a right of appeal are purely routine statistical matters.

Mr. McIlraith: They are not.

Mr. Nowlan: You deny that. I am saying that is so. We can spend from now until Christmas arguing about what is statistical and what is not. I am saying that (a) no appeals of any substance have been submitted and (b) if there were appeals they were on statistical matters on which the information is not a matter of argument but a matter of fact, and the Minister of National Revenue is in a better position to produce that evidence than anyone else in the public service.

Mr. McIlraith: On the question of appeal, the right of appeal undoubtedly has, as it always has had, a salutary effect on the administrative arm of government. There is no doubt about that. Surely the minister has been a minister of the crown long enough to have noticed that and to have appreciated it. I think the taking away of this right of appeal is going to lead to a dangerous situation and result in damage to our economy. I have further remarks to make, Mr. Chairman.

The Deputy Chairman: It being five o'clock, in order to permit the house to proceed to the consideration of public and private bills pursuant to section 3 of standing order 15, it is my duty to rise and report progress on a certain resolution and request leave to sit again later this day or at the next sitting of the house as the case may be.

Progress reported.

PRIVATE BILLS

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of public and private bills, the former having precedence, pursuant to section 3 of standing order 15.

INDUSTRIAL RELATIONS

PROVISION OF STATUTORY HOLIDAYS WITH PAY FOR EMPLOYEES

Mr. Erhart Regier (Burnaby-Coquitlam) moved the second reading of Bill No. C-12, to provide for pay for statutory holidays for employees and for pay for work performed on statutory holidays.

He said: Mr. Speaker, I again have the honour of introducing the bill before the house. I wish that the government in its wisdom had introduced a bill of its own and that I therefore would not be under the obligation myself of discharging this responsibility. As has been indicated many times previously in this house, the purpose of this bill is to provide that all employees in Canada who come under federal labour jurisdiction shall receive their regular pay for at least eight statutory holidays each year, without having to work on those holidays. It also provides that when any such employee is required to work on any statutory holiday, as defined in the bill, he shall receive pay for such work at double time in addition to his regular pay for such holiday.

Nothing in this bill affects any provision for statutory holidays with pay enjoyed by any employees where such provisions are more favourable than those enjoyed herein. However, this bill supersedes any provisions which are less favourable than those that are contained in the bill.

After the adoption of this bill on second reading I hope to move that the bill be referred for detailed examination to the industrial relations committee of this house. I know that the bill is a lengthy one and is rather complicated. I feel that a useful service would thus be performed and that the bill ought not to become law until the industrial relations committee has examined it in all the details and implications and has amended it as the committee may desire to amend it. It will then be returned to the house and I hope eventually become law. If, however, the government indicates that it would like to introduce a bill of its own having the same aim, I should be only too happy at any moment's notice to ask leave of the house to have the bill taken off the order paper in order to make it possible for the government to bring in its own bill and we would then be able to deal with the government's proposal.

It is estimated that some 10 per cent of all employees in Canada do not come under the jurisdiction of any of the provinces but rather come under the jurisdiction of the federal government as far as labour legislation is concerned. Our proposal is one that will guarantee to each and every one of this large group of Canadian workers exceeding several hundred thousand in number the right to a minimum of eight statutory holidays a year; and if for some reason or other they were obliged to work on such holidays they would be entitled to what already prevails in the case of many agreements between employers and employees; that is to say, they would have the right to claim pay for that day as well as double pay for having worked on that particular day. That is in addition to the normal pay for the day would be received by all those who were working.

I know the argument that has been used year after year in opposition to legislation of this kind, namely that matters of this kind are best left to the process of negotiation. However once the people of Canada as a whole accept a certain attitude and once most of the workers involved already have these concessions by the process of negotiation, I submit that it then becomes time for parliament to legislate in order to force, if necessary, those employers who do not comply with accepted standard practice also to grant to their own employees the concessions, rights and privileges that most other workers now have.

Most of our provincial legislatures have now enacted statutory holidays legislation. In the interests of the many workers involved we feel that the national government ought to do the same for workers coming under its particular jurisdiction.

A number of years ago we used to argue for a bill calling for annual vacations with pay for all those workers coming under national labour jurisdiction. At that time the government argued that this matter was best left to the process of negotiation. At this time I want to give the government full marks for having enacted in its first parliament after the 1957 election—I believe it was its first parliament—in fact a vacations with pay bill. I hope the day is not far distant when the government will also see its way clear to round out, if you wish to call it that, its existing labour legislation by providing under law the right of every worker coming within its field of authority to a minimum of eight statutory holidays a year.

I have looked at the debates, especially the one that took place in this house on December 13, 1957 when Mr. Stanley Knowles, the former member for Winnipeg North Centre, introduced a bill almost identical to this one, as he had so often done in the past. After Mr. Knowles had spoken I am pleased to note that the hon. member for Danforth (Mr. Small), who is still a member of the house, rose in his place and endorsed the principle of the bill. His main complaint seemed to be that the bill did not go far enough. In his opinion there ought to be legislation to provide for at least one statutory holiday in each and every calendar month. He expressed a little bit of concern about the employer of only one, two or three men or in other words the small enterpriser in Canada. If one looks at the class of workers who come under federal labour jurisdiction he immediately realizes that there are in effect no employers of only a very limited number of men whose employees come under the jurisdiction of the national government.

The bill itself lists most of the major employers of labour who would be affected by labour legislation passed by this parliament. In the main the industries concerned are Canadian railways; Canadian steamship lines; those operating aerodromes, aircraft and lines of air transportation; radio broadcasting stations; banks and banking and enterprises of this kind. It is therefore really not right to argue that this bill would penalize the small enterpriser in Canada inasmuch as the small enterpriser is not involved to any degree worth mentioning at all. His employees are almost exclusively under the jurisdiction of the provincial governments.

I was also pleased to note that in that debate the spokesman for the Liberal party—I assume he was the spokesman for the Liberal party; I refer to the then hon. member for Kootenay East, Mr. Byrne—also endorsed the principle of the bill and indicated that he had supported the principle of legislation of this kind over a period of many years.

When you have such unanimity in the house from the spokesmen of all three political parties concerned I feel the government ought not to delay any longer and ought to permit this bill to go through as such, or ought to indicate that it is prepared at a very early date to bring forward legislation of its own having the same ultimate aim in view.

Mr. Speaker, I do not wish to delay a vote on this matter, and I also know there are other members who would like to participate in this debate. Therefore I will now close my remarks.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I listened with great interest to the remarks of the hon. member for Burnaby-Coquitlam (Mr. Regier) in introducing this bill. I was struck by one phrase that he used in recommending this bill to the house. He said that most industries have statutory

holidays with pay. He said the idea of this bill—and now I think I am quoting him—is to force those employers who do not conform to accepted standard practices to do so.

I checked with the Department of Labour regarding statutory holidays with pay in connection with non-operating unions and the running trades to try and obtain some facts as to what is now being done and as to what is the custom now. I am told that non-operating unions do have, through collective bargaining, statutory holidays with pay. These unions work on a shift basis. They have regular work weeks and it can be arranged so that men can be off on holidays; and if they are not off, they are entitled to extra pay for those days worked.

Mr. Regier: Mr. Speaker, I wonder whether the hon. member would permit a question. Is the hon. member aware of the fact that the extra gangs employed in such large numbers by the railway companies have no statutory holidays with pay?

Mr. Broome: Mr. Speaker, I have worked on extra gangs, but this was quite a few years ago. I can say that at that time we had no statutory holidays with pay. Frankly, in my gang we would have thrown the foreman in the river if he had tried to stop us working and had tried to make us just sit around in the bush for a full day. I do not think the point the hon. member has raised is really germane to this bill. Extra gangs are certainly entitled to holidays. Extra gangs are entitled to vacation with pay on the basis of the number of months worked, on a calculated basis, where if they do not get the vacation they receive pay in lieu.

It might well be that something along that line might be worked out at the termination of the job, because the people on extra gangs are not permanent employees of the railroad; that is, they are simply there for one contract, usually that one job only. They are construction workers, and it might well be that something along that line might well be written into this bill. It is not in there now. This bill really deals with permanent employees, employees who have what we might call a year-round job.

When the hon. member talked about forcing employers who do not conform to accepted standard practices, I think he was making a rather drastic statement, because when you look at the list of industries and vocations which do not have statutory holidays with pay you find that they practically all come under the general heading of essential public service.

I suppose that when a man enters the profession of medicine he knows he is going to be called out seven days a week. Shall he charge for a house call on a Sunday three times the charge that he would make for a house call on a Wednesday? The same reasoning can be applied here.

The running trades are paid, not on an hourly basis, not on a daily basis but, as the hon. member knows, on a mileage basis. It is not unusual in a run for a man to accumulate three days' pay in one day. He may be on a mileage basis of 100 miles, and if he travels 300 miles he receives three days' pay. There are lay-offs in the running trades. If people want a holiday, they lay-off; if people are sick, they lay-off. These jobs are based, not on hours but on a mileage standard.

If a train leaves Toronto on Friday and there is a statutory holiday on the Saturday, should it stop or should it carry on? If your telephone goes out of commission, if the power fails in your house and it happens to be a statutory holiday should maintenance crews be available to make the necessary repairs? The hon. member will agree that this must be so. Yet he says that this bill is to force those employers who do not conform to accepted standard practices.

He is trying to apply working conditions, working rights and working methods which you will find in a factory to an essential industry which is based on a 24-hour operation every day, seven days a week.

I suggest that these industries to which I am referring, and which are mentioned in clause 3 of the bill, would like to arrange things so that they did not have to work on holidays, because there must be continuous pressure on them to pay extra for work done on those days, and there must be even more pressure on them from employees who do not want to work on Christmas day no matter how much they are paid. Therefore they must have difficulty in staffing these essential services on family holidays such as Christmas day. So it is not a question of forcing these employers; it is a question that the very facts of life demand that men and women in these essential services have to work on these days.

Therefore we come to the real question. That is, whether employees who have to work on these days shall receive extra compensation for so doing. Let us get to that essential point, not the point that we shall force employers who do not conform to accepted standard practices, but should we legislate that men and women who have to work on holidays shall receive extra pay for working on those holidays?

This is not a question of holidays; this is a question of remuneration, of pay. Questions of pay are properly settled around the

bargaining table through collective bargaining. I think the hon. member has missed that point when he refers to speeches made by other members in this house who have said this is a matter of negotiating between employer and employee. He has thought about it in terms of legislation to give time off on national holidays, rather than legislation which will give extra pay. No matter what we do with this legislation, whether we pass it or not, the same people will be working the day after this legislation is passed as were working the day before. I think that is the criterion. This will not reduce employment on those days, because this employment is in regard to essential services.

So I want to say that viewed in that light I think men and women who work on Christmas day and have to forgo the holiday are entitled to extra compensation, because the following Monday is not as good. Everybody else is back at work. They cannot go on family picnics and family gatherings or to holiday resorts for special events put on that day. They are deprived of the facilities which are made available as special holiday facilities. It must always be borne in mind, of course, that when they entered their avocations they did so in accordance with the conditions of employment existing in those occupations, but since then wages have increased as a result of collective bargaining and fringe benefits have changed, also as a result of collective bargaining, and it may be that collective bargaining could win extra compensation for holiday workers. I think that is the key to the bill and that it should be debated, discussed and decided with that view in mind.

Mr. E. Nasserden (Rosthern): In rising to speak on this bill I am reminded of the long and often serious struggle working people have engaged in to improve their position in Canada. This is a story which has a peculiar appeal to all of us who know something of the conditions which used to prevail. I have most vivid recollections of those days as told by my father who worked in a stove factory at Guelph when he first came to Canada near the turn of the century. This Conservative party, the party which now forms the government, has a worth-while record with regard to improving conditions and the return for labour in Canada.

The granting of holidays with pay is, for the average Canadian workman, an important part of his daily life. Many of our provinces have recognized that fact in legislation. The legislation varies from one province to another and it is because of this that I think the present bill should receive careful and considerate attention by this parliament. There is a definite need for more universal recognition of most of what has been included in the bill. However, there is one aspect of this measure which, as it is drawn, raises a question of efficiency of administration, and that is contained in clauses 10 and 11 which to my way of thinking, would make for very wasteful and unnecessary accounting by employers. So that there may be no doubt as to my meaning I think it might be well to read the clauses in full and I make no apology for doing so because I think this measure should be read by everyone who reads *Hansard*. Clause 10 reads as follows:

(1) Every employer employing any employee to whom this act applies shall at all times keep a record to be called a "holiday book" showing in the case of each of his employees:

(a) the name and address of the employees:

(b) the regular rate of wages of the employee;

(c) the date of the commencement and termination of the employment of the employee;

(d) the date of the statutory holiday of the employee in accordance with the act;

(e) the sum of money paid to the employee in respect of each statutory holiday excluding the sum referred to in clause (f);

(f) the sum of money paid to the employee in respect of time the employee was required or permitted to work or to be at the disposal of the employer on each statutory holiday;

(g) the exact hours the employee was required to work or to be at the disposal of the employer on each statutory holiday;

(h) such other particulars as are prescribed.

(2) The holiday book may be incorporated in any holiday book or wages book which the employer is required to keep under any other act of parliament.

Clause 11 reads as follows:

The minister or his duly authorized representative may at any reasonable time:

(a) inspect the holiday book in use by any employer for the time being or any such book used by that employer during the preceding three years;

(b) require any employer to verify the entries in his holiday book by statutory declaration or in such manner as the Minister or his duly authorized representative may require;

(c) require any person to furnish, in a form acceptable to the Minister or his duly authorized representative, such information as the Minister or his duly authorized representative deems necessary to ascertain whether the provisions of this act and the regulations are being or have been complied with.

I cannot help but feel that clauses 10 and 11 requiring a separate holiday book are just so much socialist nonsense. I would be happy to see parliament recognize statutory holidays with pay but those two clauses would serve only to set this object apart as something not ordinarily required of a good employer. There is more than enough paperwork undertaken unnecessarily at the present time in the ordinary course of business without adding to that waste by this duplication of an employer's records.

There is another aspect of this situation which may also be worthy of consideration.

These clauses might appear to be just another irritation to a large number of employers in this country who today are overburdened with reports and records many of which are destined never to be consulted. Going through some offices I have been astonished at the weight of dead filing material carried. All this adds to the cost of production, and in this respect the government should be the first to set a good example.

Some time ago I was reading the debates of a few years ago and I noted there has been general agreement on the principle of this bill. Certain days have been set aside for due observance over a long period of time and they have come to mean much to many people of this country. There should be some action taken at federal level to ensure that all our citizens are made aware of these days and their significance in our national life. Legislation such as is contemplated in this field could go a long way toward reaching that objective.

While this bill is necessarily of primary concern to people in the trades and professions I would suggest that one of the statutory holidays which could be considered and observed would be a national farmers' day. The people of Canada have much to be thankful for as far as the contribution of the Canadian farmers to the national welfare is concerned. In many parts of the country there would not be many jobs if it were not for the demand for Canadian goods and services which originates on Canadian farms and in the primary industries. The fact that Canadian farmers have not been as well organized as certain other groups in Canada has contributed to the situation in which the agriculture industry finds itself today, lagging behind the economy of this country. That is one reason for the present difficulties we find in certain industrial areas of our country at the present time.

It is therefore very important, in my opinion, that this parliament take any action that can be taken to bring to the attention of all our people the dependence which all of them have on our primary industries such as agriculture. I should therefore like to move an amendment to this bill. I know this is not the time at which one can move such an amendment but if the proper time were to come the amendment that I should like to move would be that included in the statutory holidays would be a national farmers day. I sincerely elicit the support of all hon. members of this committee for this amendment when it is presented and I hope they will also support the principle of the measure before us.

I am aware, Mr. Speaker, that the rules do not allow my moving that amendment at this time. In order that proper consideration may be given this matter I want to say, however, that I am not alone in believing that a holiday known as national farmers' day should be included among our statutory holidays. I have had many hon. members from all parts of Canada and particularly the agricultural areas indicate that they would like to second that amendment.

Mr. Speaker: Order. Before the hon. member proceeds further I think I should remind him that if the subject matter of the amendment is not one that can properly be moved as an amendment it would also be irregular to debate the matter.

Mr. Nasserden: Thank you very much, Mr. Speaker. In conclusion I should like to say that I approve the principle of this bill with the reservations I have set forth today. I also hope that hon. members of the committee will remember the traditions of this party which has placed on the statute books of this country more beneficial labour legislation than was placed on the statute books by any other party in Canada.

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, I am also in favour of the principle of this bill but because we have so many unemployed in Canada, instead of paying people triple the wages they earn on a holiday I would rather we give them two extra holidays some other time to help create employment. I do not think we need to offer more inducement to get people to work because they would like to earn three days' wages in one day. I think we should probably have more holidays as a solution for the unemployment problem. I believe that labour and management should co-operate to bring this about.

If each Canadian worker had an extra holiday each month we would create employment for an additional 5 per cent of the working force employing them all year round. This would be a good thing if it could be brought about without increasing the cost of living and without pricing our goods out of the markets of the world. I believe it would go a long way toward solving the unemployment problem in Canada.

Dr. R. Warren James in a brief submitted to the special committee of the other place on manpower and employment on January 25, 1961 pointed out that on September 22, 1960 there were 339,300 unemployed registrants. Of those, 22,500 were workers for whom part time or temporary work was most suitable. Another group numbered 26,800, excluding married women for whom it was not a necessity to work to support themselves or their families. The number of married women for

whom it was not a necessity to work to support themselves or their families totalled 44,500. Those who had worked the full previous week numbered 22,500. A group described as "other registrants" numbered 223,000.

I submit that by having 12 more holidays each year we could employ almost 300,000 more people. Management and labour could share the cost of this 5 per cent increase in the working force. I believe that an increase of 5 per cent in the working force would mean employment for 283,000 additional people.

The solution of the problems of unemployment does not in my opinion rest solely on the government. The labour unions and the working people have a responsibility in this respect. I think if they were really given a chance to agree to such a scheme through their labour unions they would unanimously accept this as a solution.

If we had 5 per cent more people employed in Canada general economic conditions would improve even though it would perhaps mean that those who are working would have to accept a 3 per cent reduction in their wages and that perhaps management would have to absorb 2 per cent of the cost. I think that would assist in bringing about a condition of parity in Canada and the curse of unemployment could become a blessing in that this solution would result in people having more leisure and more time to pursue hobbies and studies, and everyone would have employment.

Mr. Speaker: Order. I have been expecting the hon. member to relate the problem of unemployment to this bill. He has failed to do so and I cannot find any connection myself. If I am correct in my understanding this bill does not establish holidays but is for the purpose of seeing that employees under federal labour law receive pay for certain holidays so that the hon. member should really address his remarks to the question of whether or not payment should be made for the holidays already established rather than to the principle of establishing more holidays in an effort to solve the unemployment problem.

Mr. Regnier: Thank you, Mr. Speaker. I was attempting to relate my address to the question as to how to better compensate the people who would work on holidays. Instead of paying them with dollars they would be paid with more leisure time. By giving triple pay we are only creating for those with jobs an incentive to work on holidays at a time when we have so many people out of work.

Double pay is provided for all provincial holidays. This bill really provides for triple pay. I think this is an exaggerated request. This will help price our goods out of the markets of the world. Today we should attempt to bring down our living costs. We should spread the benefits of labour among all Canadians and not, as it were, create a special monopoly for those who already have jobs. I think it is the duty of those who have jobs to try to spread the benefit to those who are out of work. That is the point I want to make.

Mr. A. D. Hales (Wellington South): Mr. Speaker, the bill before us is one that has been introduced on many occasions. I well recall my first session in this house. At that time a bill similar to this was introduced by Mr. Knowles, the then member for Winnipeg North Centre, who is now the vice president of the Canadian Labour Congress. I am just wondering how pressing the problem is at this time. I feel that all federal government employees are being justly treated in this matter.

Before I go into that phase of my remarks may I say I was interested in the remarks of the hon. member for Rosthern (Mr. Nasserden) who intimated that at one time his father worked for a stove company in Guelph in my riding. I am happy to tell him that the firm is still operating. They have the very best labour relations and they are producing some of the finest stoves in the country.

This problem of federal employees getting paid on statutory holidays is important, but what we must not overlook is that many of these employees of the federal government are doing essential work. The people who are working on statutory holidays are working on very busy days. Their services are needed very badly. I think of the railways and the air lines, the steamship services and such services. They need this help very much on those days, and it is more convenient for them to be given a day off later on which they are given now, as I understand it.

The hon. member for St. Boniface (Mr. Regnier) had a good point. He mentioned the fact that it is a case of supplying four days work rather than just more pay at the present time for one individual.

If this bill were to pass it would mean that a person would secure three days pay for one day's work. I think we would have to give serious consideration to this. I agree with the principle of the bill but I feel that certain parts of it should be studied very carefully. No doubt if this bill receives second reading it will go before the industrial relations committee.

Another fact that could come into the picture is this. If one is to be paid three days pay for one day's work, the mercenary angle may become more important than the holiday

angle, and the value of the statutory holidays may become secondary and the mercenary angle foremost.

Mr. Speaker: Would the hon. member allow me to interrupt him because of the order of the house made earlier this day giving leave to the Minister of Finance (Mr. Fleming) to revert to motions at this time.

FINANCE

ANNOUNCEMENT OF AMALGAMATION OF CANADIAN BANK OF COMMERCE AND IMPERIAL BANK

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, first I should like to thank the house for having given unanimous consent this morning to revert to motions now in order that I might make a statement.

I wish to inform the house that after careful consideration I have approved the making of an amalgamation agreement between the Canadian Bank of Commerce and the Imperial Bank of Canada for submission to their shareholders as provided by sections 100, 101 and 102 of the Bank Act. The proposed name of the amalgamated bank is the Canadian Imperial Bank of Commerce. In giving approval to the making of this agreement, I have satisfied myself that the public interest will be served in this amalgamation and the interests of the staffs of both banks fully protected.

The banking community is one of the most highly competitive segments of Canadian business. Not only is there internal competition among banks, but they face competition from other lending institutions. Both the Canadian Bank of Commerce and the Imperial Bank of Canada are in a strong financial condition. However, the proposed amalgamated bank, with branches in all Canadian provinces and in several other countries, will be in an even stronger position to provide better and more competitive service to its customers. The amalgamation will enable a broader use of larger domestic resources and provide a more comprehensive international service through association with the extensive branch system of Barclays group of banks.

I am, therefore, of the opinion that the amalgamation would be in the interests of the Canadian public. I am informed that there will be no reduction in staffs or services because of the amalgamation, and indeed it is planned that the new bank will expand its operations on a national basis quite substantially over the coming years.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, there is not very much I would care to say on the statement which the minister has made. It is one of importance. I believe it is some time since we have had an amalgamation of banks such as this in our country. I am pleased to hear the minister say that this will be in the public interest and that he has satisfied himself that such is the case. I did note, however, he stated also that it is subject to one of the sections of the Bank Act. As he made his statement I was wondering whether or not legislation will be required to approve the amalgamation?

Mr. Fleming (Eglinton): No, Mr. Speaker, no legislation is required. The legislation already exists in the three sections of the Bank Act to which I have referred, and this amalgamation is carried out in pursuance of those provisions, and my approval has been given in pursuance of the provisions of these three sections of the Bank Act. They are the same sections that were followed at the time of the amalgamation of the Toronto Bank and the Dominion Bank and the later amalgamation of the Imperial Bank of Canada and Barclays Bank.

Mr. Chevrier: Under the provisions of the Bank Act I take it that all that is required is the approval of the minister. Speaking for those of us who sit on this side of the house and without having considered the matter, I trust, as the minister has said, that this amalgamation will be in the interest of all Canadians.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, we were in a state of excitement behind the curtain for some 15 minutes prior to the minister entering the house, thinking there was going to be some earth-shattering announcement about interest rates, a bond issue or Bank of Canada policy; but we were rather let down in that respect because the minister merely led us in that direction.

However, I must say on behalf of this group that this is a normal development in our present financial and industrial society. We hope that every effort is being made to make certain that the public interest is protected and will be well served; that the clients are protected and will continue to be as well served and that the staffs of this organization will not suffer in any way in respect of salaries, pensions, seniority or things of that sort. That is all I have to say at this time.

Mr. Fleming (Eglinton): I have been given the assurances sought by the hon. members.

INDUSTRIAL RELATIONS

PROVISION OF STATUTORY HOLIDAYS WITH PAY FOR EMPLOYEES

The house resumed consideration of the motion of Mr. Regier for the second reading of Bill No. C-12, to provide for pay for

statutory holidays for employees and for pay for work performed on statutory holidays.

Mr. Hales: I had about concluded my remarks, Mr. Speaker. I was saying I felt that the bill before us was not a very pressing matter at the moment. I felt that the suggestion that pay for work at double time in addition to regular pay for work done on such holidays was rather a large order and would create a hardship on our railways at the present time. We all know well the financial struggle that the railways are having and if this bill were enacted at this time and they had to pay three days' pay for one day's work it would be quite a financial hardship on the railways. As I say, the railways need men to work for them on statutory holidays. Those are the days on which the greatest amount of travel takes place and the provisions of the bill would mean quite a hardship for the railways. I think the matter is being dealt with very well at the present time. Those who work on statutory holidays are rewarded with a day off at a later time. I do not think that too many complaints have been brought to the attention of the federal authorities.

As I have said, I am in sympathy with the principle of the bill but there are some parts of it I cannot agree with at the present time. I would hope there would be further discussion of the bill so that we would have a better understanding of its contents.

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker—

Mr. Winch: Can you hold out for six minutes?

Mr. Thrasher: —other members who have preceded me in this debate have supported the bill in principle. The explanatory note reads as follows:

> The purpose of this bill is to provide that all employees in Canada who come under federal labour jurisdiction shall receive their regular pay for at least eight statutory holidays each year, without having to work on those holidays. It also provides that when any such employee is required to work on any statutory holiday, as defined in the bill, he shall receive pay for such work at double time in addition to his regular pay for such holiday.
>
> Nothing in this bill affects any provision for statutory holidays with pay enjoyed by any employees where such provisions are more favourable than those enjoyed herein, but this bill does supersede any provisions which are less favourable than those set out in this bill.

I might say, Mr. Speaker, that I think the principle of the bill is a laudable one. However, I am inclined to agree with the hon. member for Vancouver South (Mr. Broome) who said that payment for statutory holidays was a matter of negotiation and should be left to bargaining between labour and management. It seems to me that if you attempt to force industry to make payment for holidays you are not really serving the purpose for which the bill was actually designed. The bill sets out that extra remuneration shall be paid to those who work on holidays but I think that implicit in that is the intention to discourage work on such holidays. The hon. member referred to clause 3 of the bill which has to do with the application of the measure. That clause reads as follows:

> This act applies to and in respect of employment upon or in connection with any work, undertaking or business that is within the legislative authority of the parliament of Canada, including, but not so as to restrict the generality of the foregoing,
>
> (a) works, undertakings, or businesses operated or carried on for or in connection with navigation and shipping, whether inland or maritime, including the operation of ships and transportation by ship anywhere in Canada;
>
> (b) railways, canals, telegraphs and other works and undertakings connecting a province with any other or others of the provinces, or extending beyond the limits of a province;
>
> (c) lines of steam and other ships connecting a province with any other or others of the provinces or extending beyond the limits of a province;
>
> (d) ferries between any province and any other province—

Mr. Speaker: Order. I just want to remind the parliamentary secretary that the proper time to deal with the details of a bill is when it reaches the committee stage. There is no objection to reference to sections in so far as it is necessary to understanding the principle of the bill. However, I think the details having to do with any labour matter subject to federal legislation might well be left to a later stage.

Mr. Thrasher: Mr. Speaker, it was not my intention to go into all the details of the bill. My purpose in reading the application section was to inquire into the reason for the inclusion of particular industries and the omission of others. It seems to me that it is very difficult to cover all of the industries that should be covered in such a provision and that some might be omitted that perhaps should be included. I think it would be preferable that a provision of this kind should be of general application rather than having the industries set out in detail.

To go back to the principle of the bill, Mr. Speaker, in introducing the bill the hon. member indicated that the government had enacted legislation in the session of 1957 providing for paid annual holidays. I think that the provision for annual vacations is somewhat different from a provision

with respect to statutory holidays. The purpose of an annual vacation is to provide an opportunity to the industrial employee to rest. I should like to call it six o'clock.

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I wonder whether I might enquire what the business of the house is on Monday?

Mr. Churchill: There will be no change from what was announced last night. Monday will be a private members' day. On Tuesday we will commence with the resolution dealing with amendments to the Pension Act, followed by the budget resolutions and the legislation pertaining thereto.

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

HOUSE OF COMMONS

Monday, February 6, 1961

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

First report of standing committee on agriculture and colonization—Mr. McBain.

RAILWAYS, CANALS AND TELEGRAPH LINES—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. W. M. Howe (Wellington-Huron): Mr. Speaker, I have the honour to present the motion that the first report of the standing committee on railways, canals and telegraph lines, presented to the house on Wednesday, February 1, be now concurred in.

Mr. G. J. McIlraith (Ottawa West): For reasons which I set out on Friday in regard to a similar motion for concurrence in the report of the committee on banking and commerce, I desire to oppose this motion.

I do not propose to reiterate the reasons given on that occasion. I think it is sufficient if I have permission of the house to make reference to what was said in that debate, and to say that I still find myself opposed to the proposition that a committee chairman can come before the house and ask concurrence in a committee report which recommends that the committee should have leave to sit while the house is sitting, without at the same time giving the house any reasons why that particular committee needs such an extraordinary right.

As far as I know this particular committee has no special business indicated for its attention this session, and in the absence of any such circumstance I find myself opposed to the motion for concurrence; that is, opposed to paragraph 3 of the report. I note that in paragraph 2 a request is made to reduce the quorum of this particular committee from 20 to 10, again without any particular reasons being given, but I do not particularly raise that matter at this time.

I therefore move, seconded by my colleague the hon. member for Laurier (Mr. Chevrier):

That the motion be amended by inserting the words "paragraphs 1 and 2 of" after the word "that" and before the word "the".

The motion would then read:

That paragraphs 1 and 2 of the first report of the standing committee on railways, canals and telegraph lines be now concurred in.

The significance of the amendment in this form is that the other parts of the committee's report would be concurred in, and if the amendment were carried it would merely mean that the paragraph having to do with the right of the committee to sit while the house is sitting would not be dealt with today and that matter would stand in suspension in so far as the house is concerned.

Mr. O. H. Phillips (Prince): Mr. Speaker, I wonder if I may be permitted to direct a question to the hon. member and ask if he is not aware that the motion for the committee to sit while the house is in session was seconded by his colleague the hon. member for Fort William (Mr. Badanai).

Mr. Speaker: Order. I take it that the hon. member is referring to what happened in the committee. I think it would be out of order to go behind the report which is before the house for consideration. Is the house ready for the question?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not want to repeat the arguments which have been advanced over and over again throughout the years in this regard. Suffice it to say that all that is being asked by the committee is the right to sit. That does not mean that the committee would be asked to sit unless some matter of importance should arise.

Mr. McIlraith: Mr. Speaker, I wonder if the Prime Minister would permit a question. The hon. gentleman said that what was being asked was the right to sit. The report reads "to sit while the house is sitting".

Mr. Diefenbaker: That is exactly what I said. I point out the fact that we realize very well that with the number of committees set up it is sometimes difficult for hon. members to be present in all of them, particularly so if those committees sat while the house is sitting. However, this has become the traditional course. Objection has been taken in the past, and I seem to recall that when I was in opposition similar arguments were advanced.

I also recall, however, that when it came to the implementation of the power given by the house, then as now this course was not arbitrarily followed. Every consideration has been given to hon. members by the committee to the end that hon. members will not be placed in an impossible position.

I simply raise the question because that has been the practice in the past, and no harm that I know of has resulted under that practice. I am sure that every care and consideration will be exercised by the chairman and members of the committee to the end that injustice or inequity should not be allowed to occur, and to the end in particular that hon. members shall not be denied the fullest opportunity to be present in the house.

Sometimes when this question is raised it occurs to me that although hon. members have a very strong desire not to have committees sit while the house is sitting, the attendance of hon. gentlemen in this house is not always what it should be. It is no different in this house from the situation that obtains in the British House of Commons. All hon. members are not present throughout the full day. After the orders of the day have received attention those hon. members who are particularly interested in subjects coming before the house remain in attendance. I am sure that no injustice would be done under this arrangement.

Sometimes we hear it said that our members are not present to the degree that they should be, that more of them should be in the house. That has been said throughout the years. I was impressed upon reading Friday's issue of the London *Times* to learn that on Thursday in the House of Commons in the United Kingdom it was found that there was not a quorum present. When the matter was brought to the attention of the speaker those who were in the environs came in and the house proceeded. The fact that hon. members are not always present but have other work to do in no way indicates their lack of interest and responsibility.

That being so, I am sure that much of the argument to the effect that there would be gross interference with the rights of private members, in the event that this motion was passed, tends to disappear in the light of experience.

Hon. Lionel Chevrier (Laurier): Perhaps I might be allowed to say one word in connection with the matter. The objection taken by the hon. member for Ottawa West had to do with two committees only, the one last week dealing with banking and commerce and the other this week dealing with railways, canals and telegraph lines. The objection taken in connection with both was that it seemed to him and to us that the over-all powers should not be taken at this time because in these committees, and more particularly in the one now before the house, the matters dealt with normally are bills of a public or a private nature, where it is not necessary for witnesses to remain in attendance on the committee over a period of hours or even days. In my experience, at least, most of the time they have been witnesses from government departments, principally from the Department of Transport or its agencies. Surely it cannot be said that it is difficult for these witnesses to come here.

Therefore it seemed to us, as I am sure it seemed to the hon. member for Ottawa West, that this was a power which should not be given until later on in the session. If there should come a time when witnesses were required to remain here for several days, then a request could be made for the power. It seemed to us that this power should not be asked for now because it is not necessary. This is a matter which I at least would like to bring to the attention of the Prime Minister.

Mr. Howe: I should like to say that the committee we are discussing today has a great deal to do with the national development of Canada. If the hon. member for Laurier will cast his mind back he will recall that a great many bills of one kind or another, having to do with the development of Canada from one end of the country to the other, come before this committee. There have been occasions when witnesses have been brought here and if the sitting had extended over several days it would have entailed considerable personal sacrifice and expense on the part of these people. Therefore I do not think we are at all out of order in asking for this privilege.

As I say, this is not something new; it is something that has been done before. I suggest that the house accept this motion. I can assure the house and the committee that we will not abuse the privileges that are being given to this committee by this motion.

Mr. Speaker: Is the house ready for the question? The question is on the amendment.

Amendment (Mr. McIlraith) negatived on division.

Motion agreed to, on division.

POST OFFICE DEPARTMENT

STATEMENT ON MANUFACTURE OF MAIL BOXES AND KEYS IN PENITENTIARY

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, last week the hon. member for St. Denis (Mr. Denis) asked certain questions regarding the repair of mail boxes, and I am now able to reply.

In order to provide work in connection with the rehabilitation and training of prisoners, post office street letter boxes and relay boxes have been repaired in penitentiaries, principally Kingston penitentiary, for many

years and certainly since the 1900's. Only the metal work has been carried on in the penitentiaries; no locks were repaired there and no keys officially manufactured.

However, late in 1956 Post Office Department officials received an indication that keys might have been secretly manufactured in Kingston penitentiary and smuggled out. As a result discussions took place with the penitentiary officials, and my department received assurances from them that protective measures would be taken.

Recently certain mail box thefts were committed with illegally manufactured keys, and my officials informed me that keys were again issuing from Kingston penitentiary despite the protective measures which had been taken there. This was the first indication I had been given of this problem, and as a result it has been decided to discontinue mail box repairs in penitentiaries and have the work done by commercial firms.

I have given consideration to changing the locks on mail boxes but have decided against this step at this time, because there are over 40,000 such boxes spread across Canada and the estimated cost would be in excess of $200,000, and there would be no effective increase in security. The type of professional criminal who is able to procure a key and use it to open mail boxes will not be deterred by a change of locks; even bank vaults and safes are not always proof against their ingenuity. Furthermore, in most cases where mail boxes have been rifled the box has been forcibly broken open and no key has been involved at all.

Perhaps I might be permitted to say a few words more, Mr. Speaker, on a closely related subject. It has been post office practice for a number of years to pay rewards to those giving information leading to the arrest and conviction of persons who have committed offences concerning the post office. A similar practice is followed by the Canadian Bankers' Association and other organizations.

Some of these organizations have publicized their willingness to pay these rewards and have found it helpful. Until now the Post Office Department has not done so, but we will shortly be issuing a poster for display in all post offices offering rewards of from $200 to $2,000 for information leading to the arrest and conviction of those guilty of various types of offences against the post office and the mail it carries.

The two actions I have referred to today, Mr. Speaker, indicate that while it may never be possible to eliminate thefts, robberies and burglaries completely, aggressive action is being taken by the government to prevent such occurrences and to apprehend and convict those responsible. One measure of our success in this regard has been demonstrated by the fact that the number of robberies in the nine months ending December 31 has decreased from 292 in the previous year to 248 in the current year, and our losses of cash and postal supplies from such robberies dropped from $135,557 in the same period of the previous year to $87,042 for the current year.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I am sure the house has listened with interest to the statement which the Postmaster General has just made in connection with this important matter. It is difficult, of course, when such a statement is read to follow it carefully. However, when *Hansard* is available tomorrow we will have an opportunity of reading the statement in detail.

From what the minister has said and the statement he has made to the house there is no doubt that the hon. member for St. Denis was well advised in raising the question when he did on, I believe, more than one occasion. In the granting of awards the Postmaster General has in mind I think he should give consideration to giving a reward to the hon. member for St. Denis.

Mr. Hamilton (Notre Dame de Grace): He will get his from the electors in the next election.

Mr. Chevrier: The hon. member for St. Denis unquestionably warrants the reception of one on two counts, not only because of the fact that he raised this important subject but also because of the fact that he was scoffed at by those on the other side of the house when he did raise it.

HOUSING

ANNOUNCEMENT OF INCREASE IN LOANS AND HOUSING STARTS

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the statement I wish to make has nothing to do with awards. Because of the swift and vigorous response of the house building industry to actions taken recently by the government and the resulting very significant impact on unemployment, I wish to make a brief statement.

All hon. members will, I know, be happy to learn that total National Housing Act lending activity in January was higher than in the same month for any other year in the whole history of N.H.A. activities. Loans were requested during the month for 3,515 dwelling units. This figure compares with a mere 157 in January, 1960, and with the previous high of 3,192 in January, 1958.

Of the 3,515 units, 1,460 were by approved lenders compared with 151 a year ago and 1,580 in January, 1955, when the banks had their first full year of lending under the National Housing Act, 1954. Central Mortgage and Housing Corporation financed the balance of 2,055 units. Although most of the January loans were to home owner applicants and to builders who had already obtained purchasers, a feature of the month's lending was the $8,135,000 approved for 961 units of limited dividend rental accommodation for lower income families and elderly persons.

I must report also that the rising trend in new housing starts, unbroken since last August, continued in January, the increase being 4.7 per cent over the same month a year ago.

Finally, I revert to December, 1960, which was a near record month for home improvement loan activity. This, of course, reflected extension of these loans to rental properties, including apartment houses. Home improvement loans during the month amounted to $4,683,000, the highest dollar volume since September, 1958. These figures indicate, Mr. Speaker, the immediate effects on economic activity and employment of some of the amendments to the National Housing Act were made in December last.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, the house will rejoice in the message the Minister of Public Works has just given it, more particularly that part having to do with increased activities in housing generally and the rising trend in housing starts. My friend the hon. member for Nipissing, who deals with these matters for this side of the house, is unfortunately absent in his own constituency; otherwise he would be commenting on this announcement.

All I need say at the moment is that anything done in this house which tends to assist the construction industry or the possibility of employment will be welcomed on this side of the house. None the less, we cannot help but couple the statement the minister has just made with the one he made on the radio, I believe it was on Friday, wherein he stated that the unemployment situation would be a great deal worse before it would get better. I trust that the measures he will bring before this house will have the effect of improving the situation in the near future.

Mr. H. W. Herridge (Kootenay West): The members of this group are happy to know that the prodding and suggestions and advice of members of the opposition have moved the government to action so that the minister has pleasure in announcing this measure of winter success in housing. We trust the minister will continue to accept our suggestions and advice, and it is hoped that he will have further successes and achievements to report.

[Mr. Walker.]

MOTIONS FOR PAPERS

CRESTON, B.C., AIRPORT

Motion No. 43—**Mr. Herridge:**

For a copy of all correspondence, telegrams and other documents exchanged between the Minister of Transport or any of his officials, and any municipality, company or persons, relating to the establishment of an airport at Creston, British Columbia, since January 1, 1960.

Motion agreed to.

UNEMPLOYMENT INSURANCE ACT

PAYMENT OF BENEFITS TO WIDOWS OF CANADIAN WORKERS

Mr. Gabriel Roberge (Megantic) moved:

That in the opinion of this house the government should consider the advisability of amending the Unemployment Insurance Act so that any benefits to which a Canadian worker would have been entitled be made available to his widow.

(Translation):

He said: In introducing this resolution, it is advisable to read the notice of motion. We find then that those concerned by the resolution now under discussion are the needy mothers. The notice of motion reads as follows:

That, in the opinion of this house, the government should consider the advisability of amending the Unemployment Insurance Act so that any benefits to which a Canadian worker would have been entitled be made available to his widow.

That idea, Mr. Speaker, was suggested to me by one of my constituents who had obviously discussed the matter with his fellow workers. It is as a result of some practical experience that this idea sprang up in the minds of those workers.

As long ago as the first session of this parliament, I had the opportunity of discussing this matter briefly when I took part in the throne speech debate.

I shall refrain from saying again what I stated at that time, but I should like to refer my hon. friends to page 347 of *Hansard* of May 22, 1958.

Subsequently, every year since 1958, I put on the order paper the resolution I have just read. As you know, Mr. Speaker, according to the rules of this house, if a resolution is

not among the first six ones to be drawn, it stands no chance of being discussed during that same session. That is what happened in 1958, 1959 and 1960.

But in 1961, in the course of this session which started in November, I placed this motion on the order paper the very first day. It happened to draw number three, which gives me an opportunity to deal with it more fully today and go into more detail than I did in my outline of May 22, 1958. May I point out immediately that this proposal is in line with the general policy of the Liberal party in the field of social security. That is so true that I am going to quote to you right now paragraph 5 of page 28 of the new statement of Liberal policy made in 1958:

Extend unemployment insurance benefits to as many people as possible.

Well, you are quite aware, Mr. Speaker, that eligibility for unemployment benefits is not transferable in case of death. The heirs cannot expect to receive any more than what is owed to the deceased in the week of his death.

You know, Mr. Speaker, that the death of the head of a family always brings tragedy in the family, because he leaves a widow and children behind him, and sometimes quite a number of children. The death of the father leaves his family without a bread-winner. Such a tragedy, of course, causes more hardship in the working classes because it is in those classes that people live from hand to mouth.

It is of the utmost importance that a family should have minimum resources to carry on for a while after the death of the bread-winner. As you know, Mr. Speaker, a certain amount of time must elapse after a decease, particularly in the case of the head of a family, before the estate can be settled, and it sometimes takes up to six months. And during that time, bank accounts and other properties belonging to the estate are temporarily frozen under both federal and provincial succession duty legislation.

And the widow and children are sometimes forced to borrow large sums of money at heavy interest to take care of their needs.

It is true that there are provincial workman's compensation laws and also laws providing assistance to mothers in need. But here again, for a case to be processed by the workmen's compensation board, in instances where death is the result of an accident, it takes time, and the widow has no money to live on in the meantime. In the case of a mother in need, the inquiry by the provincial officials takes from three to six months, and I hardly need to stress the plight of the mother during that time.

The suggestion I am making today, on behalf of the people of the Megantic riding, would cover that period of time and provide the people concerned with a minimum of money to live in the meantime. Then, under what circumstances could those benefits be obtained? Evidently, the present terms of the act will continue to apply. In the case of a labourer or a wage-earner, the application will be dealt with according to section 25 of the act, which defines the insured occupations. It would also be necessary to establish whether the benefits are regular or seasonal. That is not too important, for all you would have to do would be to look up the file of the individual concerned to determine whether he is entitled to regular or seasonal benefits.

If the head of a family dies as a result of an accident, of illness or an accident sustained on his job, I submit that even then it is not too important because the general provisions of the act would still apply.

If the widow is getting benefits under the workmen's compensation act, she would of course have to declare her earnings to the unemployment insurance commission, and if such earnings exceed the amount permissible under the Unemployment Insurance Act, she would not in such a case, be entitled to unemployment benefits. But if, on the other hand, her income is below the permissible amount she could obtain the difference allowed by the Unemployment Insurance Act.

In the case of death following an illness, it would be necessary to establish whether the illness started while the individual was unemployed, or even whether it was the cause for the separation from employment. There again, the general terms of the Unemployment Insurance Act would apply, and people claiming benefits would have to comply with the other provisions of that act.

If death resulted from an accident other than an occupational accident, the solution would be easy. The widow could then apply for and obtain unemployment insurance benefits.

Now, for how long should the widow be entitled to such benefits? At present, the act provides for 52 weeks of regular benefits, while seasonal benefits are available only for the period comprised between December 1 and May 15.

The act could operate normally and the benefit period could depend on the number of weekly contributions standing to the credit of the deceased breadwinner.

Mr. Speaker, those are the main reasons why I feel that the draft resolution under review today should receive the support of all members, regardless of whether they sit on this side of the house or on the government side.

The benefits payable under such circumstances would cause no extra drain on the unemployment insurance fund, since only a small percentage of the people of this country would be entitled to them.

In closing, I urge my hon. friends to allow this resolution to be adopted by the house today.

(Text):

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, this house is asked to express an opinion. If we accepted the resolution proposed by the hon. member we would be recommending that the government give consideration to amending the Unemployment Insurance Act in such a way as to give a widow whatever benefits a deceased worker was entitled to receive.

It is a resolution which appeals to our better qualities. It is sentimental. I do not doubt in the least that people would go along with that suggestion, with that idea, in the proportion of ten to one. It no doubt appeals to the Canadian worker, as it is intended to. If the Canadian worker is concerned with anything he is concerned about the financial position which his wife would have to meet in the event of his death. Though he might be a spendthrift and live from hand to mouth and day to day he would still be in favour of this idea, because a dollar, no matter from what source, is a welcome addition to the security of his widow.

This resolution is intended to appeal to the widows of workers, and no doubt it will. There is hardly a woman who does not live from day to day in fear of losing the breadwinner of her family, of losing her mate, of losing her loved one. Above all she worries about the financial condition in which her family would find itself in the event of her husband's death. This house should commend the hon. member for having conceived the idea contained in the present motion. Although he does not claim full paternity of it I still give him credit for bringing the idea to the attention of the house. We should not be human, we should not be Christian, if we did not admit that the idea behind this resolution is a Christian one.

However, the hon. member for Megantic has made reference to some of our statutes which provide for security to widows. I wish to elaborate on them, and to say that the idea is not a new one. Every province has statutes which are intended to assist destitute widows, in particular widows who are left with children. We have provincial workmen's compensation acts, which provide for compensation to widows whose husbands lose their lives in the course of their employment. We have the wives' and children's maintenance acts. We have a child welfare act in Manitoba under which the state provides for the needs of a widow left with children. Rights to benefit are conferred in Ontario under the statute known as the mothers' and dependent children's allowance act, which provides for such contingencies. Nor do the federal statutes fail to make provision for destitute widows or widows who require assistance. I refer hon. members in particular to the war widows' allowances act. That is as far as it goes.

I fully realize that unless a widow qualifies under these statutes she cannot receive assistance. That is why the hon. member's idea is a commendable one. A widow could be left penniless on the sudden death of her husband; she might not even have enough money to meet the funeral expenses. Even if her husband does leave an estate, I admit that it does take time to obtain letters of administration or letters of probate from our courts before she has access to whatever resources may have been left.

The concept behind the hon. member's resolution appears to be that a widow should receive at least the sum to which her husband would be entitled under the Unemployment Insurance Act. That seems to be the crux of the matter embodied in the resolution. I ask the hon. member this question. Is there anything in the Unemployment Insurance Act which gives a workman entitlement to any particular or definite sum?

I listened very carefully to the introductory remarks of the sponsor of this resolution. He omitted to indicate to the house whether an amendment of the nature he suggests would fit in with the principles of the Unemployment Insurance Act, or whether it would in effect pervert its principles. I am led to wonder whether such an amendment could be incorporated into the act or whether it is based on a false conception, a false hope that anything and everything is possible, that all you have to do is throw responsibility on the government and condemn the government for not carrying it out even if it is impossible to carry it out.

I hope that hon. members who participate in this debate will give some thought to the questions I have posed and answer them if possible. For my part I submit that the hon. member has placed an erroneous and false interpretation on the Unemployment Insurance Act. This legislation is not social welfare legislation. The hon. member believes that an amendment under which the worker's benefits under the act could be transferred to his widow is compatible with this legislation, but he has failed to prove this and I see no possibility of it being proved. It is true that this legislation has been so frequently amended and its interpretation stretched to the breaking point that those who brought it into being would today scarcely recognize the original intentions behind the measure. I am in full accord with the intention of the hon. member, but he has built his case on erroneous premise.

I trust that hon. members will follow me in this analysis. What I have in mind is this. Under the provisions of the Unemployment Insurance Act a worker, qualified for benefits, is entitled to receive them when he is unemployed. For the purposes of this illustration let us say he is qualified for 20 weeks of benefits at $15 a week. Under the legislation he is not entitled to 20 × $15, or $300, but is entitled to weekly benefits based on weekly reports he must make. If he obtains employment within a three-week period he will have drawn $45, but he has no legal claim on interest in or right to what he may have anticipated receiving, i.e., the balance of $300. On the basis of the premise adopted by the sponsor of this measure the worker, regardless of having found employment, would be entitled to the full $300 and could transfer that entitlement to his widow, his estate, his heirs or to whomever he pleased. If that premise were correct, of course, the hon. member's amendment embodied in this resolution would fit like a glove.

I submit that under the Unemployment Insurance Act a worker is not entitled to any certain sum. He knows what his weekly benefits will be and he knows for how many weeks he qualifies to draw unemployment insurance benefits, but he has no legal claim to any specific sum nor can he draw benefit when what is coming to him has been exhausted.

In my submission the Unemployment Insurance Act is not social welfare legislation but straight insurance, and in no way differs from, let us say, fire insurance or automobile insurance. Both those forms of insurance offer protection. The Unemployment Insurance Act offers protection to a worker in the event of the loss of his job. His entitlement to that protection is based on his contributions. Until circumstances are such that the insured under a fire insurance policy can make a claim to the company, he has no interest in the fund set aside by the insurance company to pay claims when they arise. The same situation obtains in the case of an automobile insurance policy. An insured pays his premiums but has no interest in the fund set aside by the company to meet contingencies until the insured is involved in a collision or in some other way damages his automobile.

Under fire and automobile insurance policies however, an insured is entitled to cancel his protection at any time he chooses and receive a refund of the premium he has paid. You cannot do this under the Unemployment Insurance Act. If you stop making contributions you cannot ask for a refund, because you have absolutely no interest in the unemployment insurance fund. I am not losing sight of the fact that under the provisions of this act and its regulations, out of every dollar in the fund the worker contributes five twelfths, the employer five twelfths and the federal treasury two twelfths. I should like the hon. member to explain to what portion, if any, the worker is entitled during his lifetime. I am afraid that in his introductory remarks he did not take note of that; he ignored it entirely, intentionally or otherwise.

As I have said, this resolution is very appealing; it is bound to appeal, and I think that is the hon. member's intention. I maintain, Mr. Speaker, that the worker has no interest in the unemployment insurance fund to which he has contributed, none whatsoever, except on the happening of a certain event. The first event is that he has to be without a job, but under the act it is not sufficient just to be without a job. That was the principle on which the act was first built; that was the original intention of the creators or fathers of this particular legislation. First, as I said, there must be the happening of a certain event, namely that he is without a job; but that is not sufficient. There must be more, and what is that? Everyone knows that he must register, be capable of and available for work during all that period of time to which he is entitled according to the provisions of the act. By no stretch of the imagination can we say, Mr. Speaker, that a man who is sick—he may be available—is capable of work, and even less so when he is dead. But even when he is available and capable he cannot tell from week to week how much of a drain his unemployment will be on the fund. There is nothing definite, nothing certain, Mr. Speaker, and there is

nothing left for the widow when he dies. Therefore this resolution is built on a permise without foundation.

The Unemployment Insurance Act is a straight insurance act with a contract being the guiding principle all through it. I have an illustration I should like to give the house. Suppose it has been determined that at the time the worker makes his claim he is entitled to a maximum of $30 per week for 12 weeks, or a total sum of $360. Has he any entitlement to this amount when his claim has been approved? Should he be unemployed for 12 weeks, certainly he will draw the $360; but if he should, as I have already mentioned, secure employment within four or five weeks, then that is all he is entitled to and that is all he will get. If he gets a job he is not entitled to any benefit. Oh, I know there are mistaken impressions and mistaken interpretations of this act throughout the country. I think every hon. member realizes that there are abuses. As I said before, this act has been amended so often that its original creators would hardly recognize it, but insurance is the main principle on which it is based.

I could give the house an example of a man or a woman who has contributed to the fund for 34 years while working at a permanent job during that time, but is required, to retire at 65 on a sizeable pension. Yet this person has the mistaken idea that because he or she has contributed to the fund for 30 or 40 years, he or she is entitled to withdraw at least the money put in, and if he or she can get more, all the better. But the act says they have to register, and they register. The next step is to be available for employment, but who wants to employ a man of a certain age who has been discharged or pensioned off by others? Through technicalities there are many people who are drawing unemployment benefits for 52 weeks. I submit that this idea would fit in wonderfully well with some portion of social legislation.

I posed certain questions to the hon. member which he did not touch on, much less try to answer. There would be a considerable drain on the fund, but the hon. member has not indicated how collections would be made or whether workers would be asked to increase their contributions. He has attempted really to create another breach in the battle that we are carrying on to defend the integrity of the fund, because to carry out this suggestion would mean a considerable drain on the fund.

I will admit that this is a good idea; it is attractive; it has a sentimental appeal, but it does not fit into the Unemployment Insurance Act. It fits in no better than a square peg in a round hole. This idea could be the subject of new legislation altogether.

[Mr. Mandziuk.]

My sympathies are with the widow who is left penniless and needs money in a hurry, but we already have some legislation in that direction. I like the Ontario legislation that I have already mentioned. With respect to mothers' allowance legislation, it could be amended to take in the widow regardless of whether she has children of a minor age. I think this could be the subject of a special statute. I appreciate the value of this suggestion, but I submit that it does not fit into the concept of the Unemployment Insurance Act because, as I have said, there is no sum to which the worker is entitled even when he is qualified for benefits.

Mr. M. W. Martin (Timmins): Mr. Speaker, first of all I should like to congratulate the hon. member for Megantic on bringing this very important problem before the house today, but I am afraid that right at this moment I must part company with him because this resolution is not a very good solution to the important problem that he has brought before the house.

I am also afraid that the resolution shows a woeful lack of imagination on the part of members of the Liberal party, in that once again we see them taking a fund designed for one specific purpose and trying to spread it across the whole gamut of all the social problems with which we are faced today. Let us take a look at the resolution. It reads as follows:

> That, in the opinion of this house, the government should consider the advisability of amending the Unemployment Insurance Act so that any benefits to which a Canadian worker would have been entitled be made available to his widow.

As the hon. member for Marquette pointed out in what I think was possibly a legal interpretation, the worker is not really entitled to any benefits unless he falls within a certain set of circumstances. I am not going to go into the legal aspects of the matter at all, because I do not think we have to do so. I should like to consider for a moment just what the resolution means. Is a widow only going to be entitled to whatever unemployment benefits her husband may have on his death? Is that the way we are going to solve the problem of widows in this country? Certainly, Mr. Speaker, we need a fund for widows, but not the unemployment insurance fund.

I think this resolution points up one of the reasons why we find the unemployment insurance fund in the predicament it is in today. If we cast our minds back to when the fund was originally established we will recall that it was set up for a specific purpose, on the simple theory that while a person was working he would pay a premium which would

give him at least a subsistence payment when he was temporarily out of work.

What has happened to this principle over the years? We have seen it steadily eroded through political expediency, through use being made of the fund's vote-catching possibilities which neither the Liberals nor the Conservatives apparently are able to resist. The principle of the fund has been extended far beyond its original scope. It has been extended to take in people whom it was never intended to cover under the original principle of the plan.

What has this brought about? It has created a public contempt for the fund from coast to coast. People see other people drawing benefits from the unemployment insurance fund to which in fact they were not entitled under the original plan, so they say, "If they can get it, why can I not get it"? As a result the fund has developed into a great and bottomless pork barrel into which everybody is trying to put their hand. We see it extended to business, to government, to pensioners and to the public generally, with everybody trying to get in on the act.

I had occasion not too long ago to try to establish a disability pension for one of my constituents who is afflicted with a steadily creeping paralysis. His employer, one of the mines in my riding, kept him on as long as he could possibly get to work, and they leaned over backward to try to keep his job open. When he finally reached the stage where he could no longer go to work and we were trying to obtain his disability pension, a government official advised him not to take it until his unemployment insurance benefits had run out.

Was the fund designed for that purpose? Are we supposed to care for our disability pensioners out of the unemployment insurance fund? Are we supposed to maintain our old age pensioners out of the unemployment insurance fund? Or should we establish a fund for these pensioners that would be adequate to provide them with at least a decent living?

The impression I got from the hon. member for Marquette was that we have an adequate system of social security plans without having to dip into the unemployment insurance fund. I do not accept that statement. If we did have such a system I do not think we would have this resolution before us today. In my opinion the only reason the resolution is before us is that there is a very definite need in this field, in that in many cases widows in this country are in very desperate straits. That is why the hon. member has brought this resolution before the house, and I commend him for at least that aspect of the thinking behind it.

I think we should face up to and accept our responsibilities as members of the house to try to provide some solution for this problem. However, as I said before, so far as the unemployment insurance fund is concerned I think we should return to unemployment insurance principles. I do not think there is any other piece of legislation on the statute books today that comes in for as many complaints across the country as does the unemployment insurance fund.

We hear cries from here and there that we should police the fund and try to do away with some of the many abuses that are being perpetrated against it at the present time, but I should like to say that policing is no answer. If we were to police the fund adequately we would need a police force larger than the number of civil servants we have today. The only answer I can see is some kind of massive educational program to get the Canadian people back on the right track so they will realize what the fund is for and will use it in that light.

I think it is time we did something to counteract the fallacy that has been built up in this country of a great benevolent father government granting funds to deserving children from some strange and mysterious source. I think it is time we told the Canadian people that the strange and mysterious source from which they get these funds is their own pockets and nowhere else.

Mr. Martin (Essex East): That is good Liberal doctrine.

Mr. Habel: What a change of policy.

Mr. Martin (Timmins): It is a good Liberal doctrine that was built up over 22 years and unfortunately has been carried on by the present Conservative government.

Mr. Martin (Essex East): You are becoming reactionary.

Mr. Martin (Timmins): I do not intend to speak too long on the resolution. However, there is one more point I should like to raise. I see a danger if we pass the resolution before us today, the danger that we will fool the public once again into thinking that this is an answer to the problem. Certainly this is not an answer to the problem of our destitute widows across the country. It is no answer to extend the unemployment benefits for six weeks or six months or even one year. It is certainly no solution to the problem. The danger is that if we pass this measure then, along with the hodgepodge of other measures we have at the present time, we will once more be fooling a certain number of the people into thinking that the job is being done when in fact it is not. This is no more an answer to the problem than the

hodgepodge of social security measures we have across the country at the present time.

Instead of passing a resolution in this form in an endeavour to try to solve this problem, I say that we should first try to get the unemployment insurance fund back to unemployment insurance principles, and then devise a comprehensive social security plan that will replace what we have at the present time.

Mr. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, as the last two speakers have indicated, there would appear to be general support for the suggestion that widows in this country should be adequately provided for. However, that it should be done by means of the Unemployment Insurance Act is, of course, not as acceptable. For one thing, as the hon. member for Timmins has pointed out, it would not provide adequate protection for them to any extent and, second, such action would be absolutely beyond the concept of the Unemployment Insurance Act. In raising this matter at this time I think the hon. member for Megantic has directed our attention to what should be contained in the Unemployment Insurance Act and how it should operate.

The hon. member for Timmins has had a good deal to say about returning to unemployment insurance principles. However, in discussing this matter with people generally across the country I find that everyone has a different idea of what are unemployment insurance principles. For instance, the hon. member for Marquette compared unemployment insurance to some extent with fire insurance. I suppose a great many people have that idea, that it does compare with that in principle. However, there are many different features in unemployment insurance as compared with fire insurance. For instance, it would not make any difference whether a man had made only one premium payment to the fire insurance company; if his house burned down he would receive the entire amount of money necessary to rebuild it. The Unemployment Insurance Act has never operated in that way, because the benefits a man receives are directly contingent upon what he has paid into the fund. His own protection is related to his accumulation of credits. I do not believe that this should be the case.

Unemployment, of course, has been a serious threat to the workingman of this country, and indeed throughout the world, for over 600 years. He has struggled during the course of that time to promote legislation which will give him adequate protection against unemployment. I can only say I would be opposed to bringing anything else into this act until such time as every employable person in the labour force of this country is given adequate protection when he is unemployed through no fault of his own. This has not been done up to the moment. It is true that the present administration has made great steps forward in providing improved protection. However, the protection is not yet complete, because we have many people who are not covered by the act at all.

If the fund is going to be drained by people drawing out of it unnecessarily, then individuals are not going to be provided for properly. One of the things for which labour has struggled throughout the years has been recognition of the fact that a man who is unemployed through no fault of his own should be in a different category from those who are suffering other forms of hardship. During the long history of the unemployed this has been a difficult thing to achieve. As far back as 1300 there was unemployment and for 300 years after that time, generally speaking, the unemployed were treated as criminals. Then for the next 300 years they were treated generally as paupers.

During this century, in most countries in the world we have made some great advances in providing protection for unemployed men. However, the unemployed man has never achieved the main principle which I believe should be accepted, and that is that a man has a right to a job. He has the right to a job or he has the right to adequate compensation for the loss of that job. I envisage the Unemployment Insurance Act, therefore, as working generally in the same way as the workmen's compensation act works. Under that act a person is compensated for the loss of his job through injury. I can only say that as long as a person is ready, willing and able to work and is in the labour force, I believe he is entitled to compensation from society if he should lose his job through no fault of his own.

When we consider the great many ways in which a man can lose a job through no fault of his own we can begin to realize just how important a proposition this may be. The most outstanding example of this, of course, and the one about which we hear most these days, is automation and technological improvements. This is one way in which a man can lose a job through no fault of his own. Perhaps the decline or decay of his trade may be another example, or the bankruptcy of his employer. There are thousands of ways in which he can lose his job through no fault of his own. When he loses his job his family suffers hardship because, under the present set-up, when the man's benefits expire he then goes on some form of unemployment assistance. This means that he is required to meet a means test. He may

lose his home and his assets, all the things for which he has worked during a lifetime, by reason of a situation which is beyond his own control.

I do not believe this should be the case. I therefore believe that the present act, instead of being opened to take in other groups as suggested in this resolution, should go forward and provide adequate protection for every employable person in this country. I believe that can be done very easily without causing any strain on the fund or upon the taxpayers of this country.

If the kind of benefits I suggest were provided, of course, there would need to be some limitations placed in the act. I would think the main principle to be incorporated in this act should be that a man is entitled either to a job or to adequate compensation if he is out of work through no fault of his own. I believe that every employable person in the labour force who is employed should contribute to the fund, regardless of his income or occupation. I say that because at the moment the contributors to the fund seem to be mainly those who are unsteady workers, and those who are steady workers seem to be left out. I think the civil service is a good example of this. The civil servants say, "We should not have to contribute to this fund; we work steadily and we are not out of a job." There are many civil servants, however, who are out of a job, civil servants who are employed on a seasonal basis.

Mr. Fisher: May I ask the hon. member a question? Is he speaking to notice of motion No. 3 or to notice of motion No. 44?

Mr. Browne (Vancouver-Kingsway): Perhaps the hon. member's question would be better directed to Mr. Speaker. So far as I am aware, he is the one who will consider that question. I am glad to note that the hon. member for Port Arthur is showing some interest in the workings of the Unemployment Insurance Act.

Mr. Fisher: I have the greatest number of unemployed in Canada at the lakehead.

Mr. Browne (Vancouver-Kingsway): Perhaps the hon. member will take advantage of the opportunity to show us when the time comes. Perhaps if some people who are now drawing upon this fund were prohibited from doing so this would reduce the number of unemployed in Canada. In fact I was noticing just the other day that almost half the total unemployed in Canada are young, single persons residing at home with their parents. I do not believe there are many countries in the world that would consider these people unemployed. Most of them should be in school learning a trade or a proper skill so they would be able to enter the labour force and take care of themselves adequately. Then again, we know that many of those who are drawing unemployment insurance benefits are married women. It would be very difficult to prove whether or not they are interested in obtaining jobs. When they are compared with the single women covered under the act, their record is certainly very poor.

I notice that information was given to the Senate committee on manpower the other day to the effect that 85 per cent of the married women registered in the national employment service offices in September were unemployment insurance claimants. Of course these women are listed as unemployed, and they help to build up the high statistical figure for unemployment that we have in this country as compared with other countries in which the same course is not followed. This report indicated also that 77.8 per cent of the married women who were registered for unemployment insurance benefits had husbands who were working full time.

Mr. Fisher: When?

Mr. Browne (Vancouver-Kingsway): At the time they were claimants. I do not believe the average person in this country feels that a married woman in that category should draw benefits from the fund. We do not even know, and we are not able to ascertain, whether she is willing to work, because in some instances there are not jobs to offer and it is a very difficult thing to determine whether a woman is actually out looking for work. Because of drains of this kind upon the fund we are not giving adequate protection to those who do need it.

I believe in this way the resolution before us today has a very direct bearing on the Unemployment Insurance Act, because provision for widows could in large measure be obtained by life insurance. That would be a more adequate and proper form of insurance through which to protect widows. However, the workingman in this country is not at all times able to provide adequate life insurance. It is one of those things he hesitates to take on because it is a payment he must meet every month. While he is working he may well be able to make those payments. However, with the uncertainty of employment hanging over his head all the time, he hesitates to take on those payments to provide for his wife and family, even though he could afford to do so if he were working all the time.

Therefore if we were to put ourselves in the position where we could ensure that the workingman of this country was going to have an adequate income, whether he was

employed or unemployed, then he would be in a much better position to provide that kind of insurance for his family. He would know that his income was not going to stop entirely, or that he was not going to have to meet a means test which might require him to give up all his assets before he was entitled to receive benefit payments.

That is why I believe there should be some limitations upon the act. Again, I think, there are many other people drawing out of the fund unfairly. For instance, take the case of a seasonal worker. He pays into the fund for perhaps eight months. He may earn a considerable income in those eight months because, generally speaking, those employed in seasonal industries earn higher wages than those in the other fields of employment, because of the very fact that their employment is seasonal.

I was just taking a look at this publication, "Employment and Payrolls" for September, 1960. It shows that the average wage in Canada, according to the industrial composite, is $76.57 per week. However, that is only a national average, and when we come to consider the individual industries there is quite a large variation. For instance, in the mining industry the average wage is $93.50 a week. On the other hand, in service industries the average wage is $53.16 a week. There is quite a difference; that is almost half the average weekly mining wage.

So in actual fact a person might well be in a seasonal industry and earn as much in eight months as a worker in a different industry might earn in 12 months. It would be most unfair that the one man should pay into the unemployment insurance fund for 12 months while the other man who earned perhaps a greater salary in the eight months he worked should draw benefits out of that fund for four months.

For that reason I suggest there must be a limitation placed upon the amount which a man can earn and still draw from the fund. All these kinds of things are necessary if we are going to provide adequate protection. I believe that providing an adequate level of income for the workingman would overcome many of the other difficulties in which he is placed, including this one that has been brought to our attention today, of making adequate protection for his widow. Therefore I suggest that rather than dragging other people into the fund at this time we should place a limitation upon the amount of wages a man can earn and still draw benefit from the fund.

For the purpose of setting forth these principles that I think should be contained in the act I have used the figure of $4,000. The reason I use that figure is that it is just on the national average that I have already outlined. The national average weekly wage is $76.50. Four thousand dollars per annum, which is the figure I have suggested as a limit for the purpose of setting forth the principle, amounts to $76.90 per week.

It is obvious that here again a uniform payment across the country would not be fair or reasonable and it may have to be set on a regional basis, because when we come to look at the various areas in the country it can be seen from this same publication "Employment and Payrolls," September, 1960, that the average wage in British Columbia is $83.66 per week. On the other hand, in Prince Edward Island it is $53.72 per week. Therefore I think it would be unreasonable that the ceiling should be the same in Prince Edward Island and British Columbia. That would have to be taken into consideration in enacting the principles I have suggested. Having suggested that in my view a person who has earned in excess of $4,000, with the variation for regional differences that I have outlined—

Mr. Fisher: Mr. Speaker, I rise on a point of order. I am very much interested in resolution No. 44, which has been placed on the order paper by the hon. member who is speaking. I am also interested not only in the resolution to which we are supposedly addressing our minds, but the next one and the one after that, which I hope we may get a chance to debate today.

I suggest, with all deference to the very fine speech the hon. member is making, that he is off the point of the resolution that is before us, which deals with amending the Unemployment Insurance Act so that the benefits payable to any Canadian worker would be payable to his widow. I suggest that if you look closely at resolution No. 44, which the hon. member has been able to give us in great detail, you will find he is making a splendid speech supporting that resolution. I submit that this is out of order. I hope we can hear him on this one some future date.

Mr. Thrasher: Mr. Speaker, it is very difficult to discuss the Unemployment Insurance Act without discussing the whole act. It is very difficult to take out one part of the act or suggest an amendment to one part of the act and discuss it without bringing in the ramifications and effects it would have on the whole of the act, the original purpose of the act, the principles on which it was founded and the purposes it presently serves. It seems to me it would be very difficult if we attempted to confine the hon. member to the very narrow limits which this resolution encompasses. It seems to me that if we are

That in the opinion of this house the government should consider the advisability of extending the benefits of unemployment insurance to those Canadians who are unemployed because of illness.

to have a proper discussion of this resolution we have to take in the whole ambit of the act.

Mr. Speaker: Has the hon. member who has the floor anything to say about the line he has been following, to which exception has been taken?

Mr. Browne (Vancouver-Kingsway): Yes, Mr. Speaker. I have indicated that in connection with this resolution that is before us my feeling is that if the Unemployment Insurance Act carried out the principles upon which it was founded, and extended them to the level to which they should be extended, it would be unnecessary to undertake the course of action advocated by the hon. member for Megantic.

In order to demonstrate that, I believe it is necessary to indicate clearly how I feel the act should operate within its present principles, without extending it to bringing in this new class that would be brought in by the hon. member for Megantic.

Hon. Paul Martin (Essex East): Mr. Speaker, may I just say a word on this subject. One does not like to interfere with a speech in which an hon. gentleman is engaged, obviously with the desirability of making a constructive suggestion, but I think it is difficult not to accede to the intervention of the hon. member for Port Arthur.

We have before us a specific resolution, and of course thus far the debate has covered a very wide range. If we are going to allow that to take place we will want, of course, to discuss some very fundamental matters affecting the fund, matters that have already been raised in this house and to which the government has not directed its attention or given any proper response.

In addition, this is a device—possibly not deliberately employed by the hon. member —being very adroitly employed by him to circumvent the practice which has prevailed in regard to the methods used to give priority to resolutions that appear under notices of motions. The resolution now before the house is the resolution put forward by the hon. member for Megantic. The resolution to which the hon. member for Vancouver-Kingsway has been addressing himself is the last resolution listed under notices of motion. In other words, as a result of what the hon. member has been doing he has been able to discuss his resolution ahead of all the other resolutions that precede it. Included in that number would be resolution No. 25, in my name, asking the house to give consideration to the following:

I am simply pointing out that I would be perfectly justified in rising to discuss that resolution which I am sure will commend itself to every member of this house. I should be amazed if the government were to oppose that resolution. If the hon. member for Vancouver-Kingsway can discuss his resolution, there is no reason why we cannot discuss our respective resolutions, nor is there any reason why we cannot engage now—and this might be a very desirable thing—in a real debate upon the fundamental point, namely that the fund which would make these various measures possible is in a very perilous state.

Some hon. Members: Order.

Mr. Martin (Essex East): Oh, hon. gentlemen say "order" but they did not say "order" a few moments ago. They only raise objection when some member of the Liberal party in particular seeks to put the house right.

Mr. Speaker: There is no doubt in my mind that the point of order is well taken. Without leave of the house the debate cannot be extended to embrace the other two resolutions, which are quite easily distinguishable and separate from the resolution now before the house. This is a very narrow resolution which calls for an extension of the benefits available to the worker under the act to his widow, and I must ask hon. members to observe the normal practice of debate and keep to the point which is before us.

Mr. Browne (Vancouver-Kingsway): I wonder if I might say a word on the question of anticipating a later resolution? It is quite evident that that resolution will never come before the house this session. It would therefore be impossible to use the argument that I am anticipating that resolution and debating it before it comes to the house. I might add that I think it would be impossible to discuss this question without going into the principles of the act. Otherwise one could only say "I want them in" or "I want them out". I do not see how it would be possible to present any arguments. However, I am sure the hon. member for Essex East will feel that he has achieved his purpose in preventing the proposals I have here being put before the house. I am sure he does not want to see them discussed.

Mr. Speaker: I cannot accede to the proposition which the hon. member for Vancouver-Kingsway is making. It is the rule of relevancy which is involved, not the rule of anticipation, and unless the house gives some

direction that all three resolutions may be debated, or waives its customary practice in respect of relevancy in debate, the hon. member will have to confine his remarks to the matter which is before us.

Mr. Browne (Vancouver-Kingsway): Naturally, Mr. Speaker, I wish to obey your ruling. However, I find it difficult to visualize what that would entail because, as I say, I do not know what arguments can be presented in support of my contention that these people should not be covered as suggested in this resolution unless I am free to suggest how I think the act should operate. It is difficult to deal directly with the proposition I have been putting forward. I have indicated, however, that I feel that if the act were properly drafted it would be unnecessary to include these people, and I do not see how I can pursue that argument without being allowed to say how I think the act should operate. Perhaps Your Honour might offer some guidance. I do not think it is sufficient for me to rise and simply say that I am not in favour of this resolution.

Mr. Speaker: Perhaps I can help the hon. member. If he would look upon this resolution as calling for an amendment to the act in the particular which is mentioned, that is, to provide that in the event of the death of a member entitled to benefits his widow could have those benefits, he would see that the amendment would not open up the whole of the Unemployment Insurance Act, which deals with countless other propositions.

It seems to me that this is a clearly distinguishable and fairly narrow resolution, and I should not be doing my duty if I allowed the debate to stray from a course which can be clearly charted, particularly as objection has been taken.

Mr. Browne (Vancouver-Kingsway): In the light of Your Honour's ruling I shall have to omit some of the remarks I had wished to make and reserve them until a later time. However, I do wish to say that in my opinion the act at the present time is not providing adequate benefits for the workingmen in this country. They are not protected for long enough, and they are not protected at a sufficiently high level. Before any other group is offered any further protection under this act I want to see the act provide, as it should for the working people of this country, adequate benefits at an adequate level.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): I am rising to support the motion. It seems to me that this resolution is designed to give a measure of protection to a class of people who need it badly at a particular time. In addition, it seems to me, it is in keeping with the spirit of the act. I am aware that the Unemployment Insurance Act cannot be extended into the whole field of welfare, but this particular resolution is designed to deal with one particular aspect of it, namely making available to the widow the benefits which the husband would have received had he lived, benefits which he would have used in the support of his wife and family.

The intention is clearly to make it possible for the widow to receive the benefits for which her husband had paid while he was alive. For instance, if the man had paid contributions under the Unemployment Insurance Act and had qualified for benefit and died, this resolution would allow the widow to receive the benefits to which he would have been entitled. As hon. members know, the time immediately after death is a very awkward time for the family. It is immediately after the death of the breadwinner that assistance is needed.

I do not think I need go into the humanitarian aspects of the motion. Everyone knows the acute need which exists, particularly in the homes of those people who depend on daily work for daily bread. It has been suggested that the motion has sentimental value. I would rather say it is humanitarian in its intention and eminently practicable. I have great pleasure in supporting a bill which deals with this specific need and meets a specific lack in the present Unemployment Insurance Act.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, the principle of this resolution commends itself in some ways, but such legislation would be very difficult to apply because, when for instance the head of the family dies while working, the widow is entitled to the benefits provided by the workmen's compensation act, which applies in all this country's provinces. If that is not the case, a widow with children under 16 years of age may receive the pension for needy mothers, or an old age pension. Moreover, in the province of Quebec, when the pension for needy mothers or the old age pension proves inadequate, the person concerned can go to a social service centre where her case receives serious consideration and she is, under certain conditions, granted an additional monthly allowance in cash to supplement her revenue.

The hon. member for Megantic (Mr. Roberge) said a few moments ago that the widow is not entitled to an allowance until some time after her husband's death. I shall therefore remind him that, in the province of Quebec, the widow may appeal to a social service centre, and until she is able to get

a needy mothers' pension or any other pension, the social centre will supply the amounts required for her own and her children's support.

To my mind, the formula advocated by the hon. member for Megantic will be difficult to apply even if it should apply to some special case.

If my memory does not deceive me and my information is correct, any employee, who retires at the age of 65, for instance, after regularly contributing to the unemployment insurance fund may, under a section of the Unemployment Insurance Act be authorized by the government to draw the unused portion of his benefits for several months. Now if the said employee happens to die during a period in which he was receiving unemployment insurance benefits, and before they are exhausted, the Unemployment Insurance Act might be amended so as to allow the widow of the beneficiary to draw the portion of benefits to which her husband was still entitled.

To my mind, the Unemployment Insurance Act should be completely amended and transformed, and even have its title changed into employment insurance act.

Recently, a distinguished canon of the diocese of Joliette, whom I shall not name, sent me an editorial, asking that such an amendment be introduced in this house. I shall later have the opportunity of dealing with this matter when we discuss the labour estimates.

I believe it will also be advisable to amend the Unemployment Insurance Act so as to allow farmers, hospital employees, seasonal workers, and even those who are working in a family business, to benefit under that legislation, and I strongly urge the government of the province of Quebec to approach the Minister of Labour (Mr. Starr) and suggest that employees of the department of highways in the province of Quebec, especially part-time workers, be allowed to qualify under the Unemployment Insurance Act.

Mr. Speaker, I wanted to say those few words in connection with this resolution. I know that its aim is limited, and that it is somewhat difficult for us to speak in a more general way on the Unemployment Insurance Act. There would be a great deal to say on this matter in the interest of the people of Canada. But I shall limit myself to stating that the motion introduced by the hon. member for Megantic, is substantially good legislation and, even if it were very difficult to apply, certainly deserves to be discussed, and in some cases applied, so as to make unemployment benefits available to widows.

(Text):

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I have listened with interest to the speeches made by the hon. member for Megantic, the sponsor of this resolution, and the hon. member for Grand Falls-White Bay-Labrador, who spoke in support of it. I welcome this resolution because it serves to highlight a problem we have in Canada. It underlines the fact that we do not have a comprehensive social security system in this country. I regret that history has shown that we adopt our social security system by bits and pieces. Over the years new items of legislation have been introduced, but even today we realize that many people deserving of consideration on the part of society are not receiving the required consideration.

I have examined the social security systems in other nations of the western world. Only the Netherlands has a system that is more complicated and piecemeal than ours. In most nations of the world the problem of social security has been tackled in one fell swoop.

I regret that I must oppose the resolution now before us because it is a violation of the basic principles of the Unemployment Insurance Act. May I underline the word "insurance". I give the sponsor of this resolution full marks for having regard for the widows of men who die while they are enjoying unemployment insurance benefits. However, may I ask the hon. gentleman what consideration he would give those widows after the expiry of those benefits? After all, we know there is a limit to the number of months a man can enjoy benefits under this legislation. Worthy as her cause may be, to appeal on behalf of the widow for only those limited months during which her deceased husband would have been in receipt of unemployment insurance appears to be most inadequate.

If we had a transferrable, portable pension plan as advocated by hon. members of this group over the years, and if we had a comprehensive social security plan we would not have to worry about the idiosyncrasies of existing legislation. We would not have, in the light of important national problems, to move resolutions of relatively minor importance even though they may be of major significance to the individuals involved at the time. I am rather disappointed that a spokesman for the Liberal party attempts to involve this house in a day long debate on a minor resolution having to do with only one of our social security laws in order to obtain benefits for a very limited number of people. We in our group humbly submit that the time of this house could be

put to better use and even the attendance in this house might be greatly enhanced if we were to engage in an all-out campaign to replace the existing piecemeal legislation that we now have with an over-all basic social security law.

We have pensions for the blind; we have pensions for the handicapped; we have old age pensions; we have pensions for those over 70; we have pensions for veterans; we have pensions for the burnt-out veterans; we have pensions for the youngster aged from zero to 16; we have pensions for this and pensions for that, each with its fantastically costly overhead and administration. I am sure if we analysed what the taxpayers of Canada are paying for social security at the present time, with all the overhead, all the red tape and the paper work involved, together with the means tests and all the rest of it, and compared that with the cost of a basic, comprehensive social security system as they have in the United Kingdom and in most of the other western nations of the world, we would realize that we are heading in the wrong direction with our little amendments here and our new acts there to look after another little category and the whole hierarchy of administration involved. I believe we would easily recognize in our investigation that we should offer to our people a basic minimum standard of living at a much lower cost. Therefore, we feel this is wrong in so far as the basic principle is concerned. It is also a violation of the intent of the Unemployment Insurance Act to introduce the amendment offerred in this resolution.

Miss Margaret Aitken (York-Humber): Mr. Speaker, this is a resolution that I approve of but with reservations. The first question I should like to ask the hon. member for Megantic (Mr. Roberge) is, how much would this cost the taxpayers? It is so much easier for opposition members to introduce amendments, bills or resolutions than it is for members on the government side to accept them because the government side has to find the money for them.

What the hon. member for Megantic is really doing is to add to the Unemployment Insurance Act a life insurance clause. What I should like to see set up is a separate fund for widows, to which management, workers and government would contribute, and from this fund would go benefits to the widow whose late husband has been entitled to benefits from the Unemployment Insurance Act. In other words, it would be quite separate from the act.

Mr. Regier: Another plan?

[Mr. Regier.]

Miss Aitken: Yes, another plan, not in the Unemployment Insurance Act. I make this suggestion because there are tens of thousands of Canadians contributing to the Unemployment Insurance Act who never have and never will collect a cent. They are the ones who bitterly resent the chiselling that has been exposed in regard to the Unemployment Insurance Act, and they are the ones who feel bitter when they are told by such a man as the economist Warren James, when he spoke before the Senate manpower committee, that nearly a hundred thousand people were not genuinely claimants for benefits but were collecting them. It seems to me it is grossly unfair to the honest contributors who will never collect from the fund that this should be going on, and it would be even more unfair to give benefits to the widows of unemployed men who were collecting benefits and not give the same pensions to all widows of men who had contributed to that fund. Obviously, Mr. Speaker, this would deplete the unemployment insurance fund in no time at all.

We all agree that the Unemployment Insurance Act is a fine piece of legislation; it is a bulwark against anyone actually suffering while unemployed, but it cannot be treated as an elastic band and stretched beyond capacity. That is why I say this resolution is a good one but I do not believe it should be implemented through amendments to the Unemployment Insurance Act. Instead, it should be a separate piece of legislation. I believe that a separate fund could be set up to which we would all contribute and from which widows of contributors might collect benefits for X number of weeks. This at least would alleviate some of the financial worries after the death of the breadwinner.

While on this subject, Mr. Speaker, may I say there seems to have been pretty general unanimity here this afternoon on the subject of benefits for widows, but I should like to point out that members of the House of Commons have not been practising what they preach. They have shown a very marked lack of generosity in regard to the widows of members of parliament. A man may serve his country for 25 or 30 years as a member of parliament and contribute to a pension retiring fund which is actuarially sound and yet when he dies his widow gets no pension. I do not believe the average Canadian appreciates the sacrifice that a politician's wife is called upon to make, both in the disrupting of family life and in being exposed to the rough and tumble of political life. I believe it would be a fine thing if we could set up a fund for the widows of men who have contributed to the unemployment insurance fund. I also think it would be a just act if we could extend the

payments that members of parliament make to their pension plan so that their widows might also benefit.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I rise to say a word on this resolution which no doubt has a great appeal to the Canadian people in general and more especially to the humanitarian aspect which is found in all of us. During the course of the debate this afternoon something was said about the danger that would arise in introducing changes in the Unemployment Insurance Act which, if the intent of the resolution is accepted, would place an additional drain on the fund.

The hon. member for York-Humber (Miss Aitken) favoured the establishment of a separate fund to take care of widows. I submit, Mr. Speaker, that in order to appreciate the intent of the resolution one should have an understanding of the Unemployment Insurance Act which was introduced in 1941 by a Liberal government. Under this act unemployment insurance is contributory and each of the contributory groups, that is, government, employer and employee, has a direct interest in the insurance fund. In dealing with individual claims the rights of all contributors must be considered. The receipt of a benefit is a statutory right of the claimant who has met the required conditions. In other words, when an insured person makes a claim he is asking for something to which he is entitled and is not asking for a gift. It is a right which cannot be attacked even by a court of law. By that I mean that it cannot be denied in any way or be subjected to garnishee by a court of law.

The moneys in the unemployment insurance fund may be used for only two purposes, namely for those who are rightly entitled to make claim for benefit and, second, by way of a refund of contributions if contributions were made in error. To be entitled to a claim for benefit, therefore, one must have been a contributor and establish proof of a contribution record of not less than 30 weeks. Another condition required is that the individual demonstrate that he is capable of and available for work but unable to obtain work that he can perform.

The suggestion contained in the resolution that the benefits legally due to a claimant based on his record of contributions be paid to his widow may be contradictory to the basic principles on which unemployment insurance was conceived. However, the resolution does not presume that upon the death of the insured the benefits would be paid to his widow if the employee had not been drawing unemployment insurance at the time of his death. The widow would only be entitled to the benefits until entitlement is exhausted.

It can be argued that if such an amendment to the Unemployment Insurance Act as would conform with the intent of the resolution were to be made it would be a precedent which, if extended, would ultimately impose a still greater drain on the fund which is now dangerously near being depleted without the assumption of additional burdens. Notwithstanding the fact that the widow could not be deemed to have made any contributions to the fund, nor could the interpretation be that she would have assumed the place of her deceased husband in the labour market, the benefits which she would receive under this amendment would be very modest indeed.

I fully realize that every insured person under the act is issued an insurance number for life. The number is not transferable and upon the death of the insured it is retired and never again used by anyone. The number, therefore, is positive identification which gives the insured person the right to benefit.

In spite of all the objections which have been raised this afternoon I would urge hon. members to examine the resolution carefully in the light of the humanitarian aspect of its intent, and I wish to commend the hon. member for Megantic (Mr. Roberge) for introducing a measure for the consideration of the house which, if approved, would give a little lift to some of those who have suffered that irreparable loss which no material benefits can possibly replace.

Mr. Brunsden: Would the hon. member permit a question?

Mr. Badanai: Yes.

Mr. Brunsden: This is for clarification only. He speaks of the payment of unemployment insurance benefits by right or by need. I am just wondering whether he carries that principle into the payment of unemployment insurance itself regardless of the aspect of widows.

Mr. Badanai: The purport of the resolution is that an amendment would be introduced which would make it possible to pay to the widow the benefits accrued by the deceased if he was unemployed when he died. If he was working at the time of his death or before his death then the benefit would not apply. That is the point.

Mr. Murray Smith (Winnipeg North): Mr. Speaker, it appears to me that the significant words of the resolution are "benefits to which a Canadian worker would have been entitled be made available to his widow". In discussing a resolution of this nature I

feel that we must look not only at the specific words but at the benefits in general that are paid out of the unemployment insurance fund. In effect this resolution would introduce a new class of persons who would draw benefits from the fund. I should like to say that for a member who has placed the same resolution on the order paper on past occasions I thought that while his motives may have been sound and sincere he did a somewhat inadequate job of introducing the resolution. I feel that he could have clarified it much better and advanced many more arguments in favour of the resolution than he did.

For example, certain questions came to my mind immediately when I read the resolution. How long would the widow be entitled to draw benefits? Would she be entitled to draw them for the same period that her deceased husband would have been entitled to draw benefits? Would she be entitled to draw benefits for life? What would happen in the case of a man who died say next Monday and would have been laid off next Tuesday and thus be entitled to unemployment insurance benefits? What would happen to his widow? Would she be entitled to draw benefits? Where would the dividing line be drawn? If the widow is entitled to draw benefits for life, are we not in fact setting up a new pension scheme paid for by the taxpayers of this country? I feel that all of these questions should have been explained to us by those who advocate that this resolution be passed.

The hon. member for Megantic (Mr. Roberge) also mentioned that this resolution is in accordance with the general policy of the Liberal party. This was a rather frightful statement when we realize that those who were placed in a position to draw seasonal benefits by the hon. member for Essex East (Mr. Martin) are responsible for some of the depletion of the fund today. Now we have a member of the Liberal party attempting to add another class of people to those entitled to draw from this fund, thus further depleting it. The hon. member for York-Humber (Miss Aitken) adequately pointed out that we must be concerned about the cost not only to the fund but to the contributors to the fund, the taxpayers of the country, the employees and employers of the country.

I was very pleased to hear the remarks made by the hon. member for Timmins (Mr. Martin), for whom I have a regard almost equal to his vastness. He mentioned that the fund was designed for one specific purpose when it was originally set up and now, because of Liberal policy referred to by the hon. member for Megantic, we find the fund being spread across all the social problems with which we are faced today. As a result of this the public of this country, and particularly those who pay into the unemployment insurance fund, have come to think of this fund as an inexhaustible source of money which can be used for almost any reason. Indeed, this is no exaggeration when we look at the abuses that are heaped upon this fund today by employers as well as employees.

I heartily endorse the suggestion made by the hon. member for Timmins that the policing of the fund is no answer but rather that we need a system of education in this country to show the people that they have an interest in this fund and that it should not be abused. We should show the people why the fund should be operated on sound insurance principles for the benefit of the worker and the employer.

I was very sorry that the hon. member for Vancouver-Kingsway (Mr. Browne) was not permitted to continue his argument as to why the widow of a deceased worker should not be allowed to draw from this fund. When a person stands up and says he is opposed to this resolution that may be construed by some as being against any help whatever for widows. I do not believe any member of this house, regardless of where he sits, regardless of what stand he takes on this resolution, could in all fairness be said to be against relief for widows.

However, in considering relief for widows do we not have to go farther than the Un-Employment Insurance Act? Are there not other agencies in this country that have a part to play so far as pensions to widows are concerned, particularly widows of deceased workmen? If you consider the widows of deceased workmen, why not consider widows generally? Do not municipalities have a part to play? Do not the provinces have an obligation? Why must everything come from the unemployment insurance fund? Why set up another drain on the fund? Why should not other methods and means be explored? I, Mr. Speaker, am against this resolution for the reasons that I have outlined and also because I feel this government is possibly more concerned with the unemployed in this country than either of the parties sitting in opposition.

The speech from the throne contained the announcement that amendments would be made to the Unemployment Insurance Act. I believe this government is studying the whole operation of the act with a view to providing a comprehensive program that will embrace not only unemployed persons but those seasonal workers who are not drawing from the fund. This is my hope and my expectation as a believer in sound principles of conservatism. I think there is a great deal

of merit in the suggestion that two funds should be set up. Indeed, there is a great deal of merit in the arguments put forward by the hon. member for Vancouver-Kingsway before he was prohibited, under the rules, from continuing his line of discussion.

There are many ways in which we could stop the drain on the fund. What about those who are coming into the labour market today? It has been advocated in some quarters that we should have a program of conscription in order to train the young people coming on to the labour market, and who are not able to find jobs. They would achieve the necessary skills after they had served their term in uniform.

Mr. Regier: Shame on that.

Mr. Smith (Winnipeg North): The hon. member says, "Shame on that". His party is well known for their stand on pacifism and neutralism, but we will debate those subjects at some other time.

In conclusion, Mr. Speaker, may I say that I sincerely hope some of the colleagues of the hon. member for Megantic, particularly the hon. member for Essex East, will endeavour to clarify some of the questions I have raised. I hope they will put forward some arguments that have a sounder basis than those that have been put forward so far.

It is all well and good to sit in the opposition and say that we must provide benefits for the widows of deceased workers. But what are the solutions to the problems? Where is the money to come from? How much is it going to cost the fund? Has any estimate been made of that? What happens in the case of the widow of a worker who dies a day or two before he is entitled to draw benefits? There are many aspects of this question that must be explored and many questions that must be answered. I hope some of the colleagues of the hon. member for Megantic will undertake this task on his behalf.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I listened very closely to the hon. member who has just resumed his seat. He has repeated something that we have known for a long time, i.e. that the Conservative government has no other policy, to solve the unemployment problem, as the hon. member has just indicated, than to conscript the unemployed.

Mr. Johnson: That is not what he said. He did not say that.

Mr. Deschatelets: I do not know whether that idea reflects the policy of the Conservative party but, once again, it is not the first time that it is being put forward. Besides, if the hon. member who has just resumed his seat had nothing else to submit to us, he could very well have abstained from speaking on this resolution. I quite understand his general argument to the effect that the hon. member for Megantic (Mr. Roberge) has not supplemented this resolution with sufficient details to provide for all cases.

This is not a bill. It is a resolution. The hon. member for Megantic is merely asking us to support a principle. And, obviously, if the majority of members voted in favour of the resolution, it would then be in order to draft a bill containing more details.

But, for the time being, we are concerned here with a principle, and, as a representative of a labour constituency, I should like to congratulate the hon. member for submitting that fine idea which is bound to benefit workers in general.

I am delighted that such an idea should have come from a Liberal member, as everyone knows that, from time immemorial, in the field of social security, the Liberals have always put forward ideas and principles designed to fight all forms of ignorance and insecurity. You will recall that last year in the industrial relations committee, the hon. member for Essex East (Mr. Martin) introduced a motion dealing with unemployment.

(Text):

Mr. Pigeon: Mr. Speaker, I think the hon. member is out of order.

(Translation):

Mr. Deschatelets: Mr. Speaker, I do not think that I am out of order, and I shall go on with my remarks so that you can judge by yourself.

Last year, the hon. member for Essex East asked that unemployment under all its aspects be debated and if such a discussion had taken place, we would have been able to examine this particular situation in which a family finds itself when the father is unemployed; but it was never discussed. And this is what brought up the idea behind this resolution.

Of course, when the father is unemployed, the family, the children cannot enjoy the same standard of living as other Canadians; they have to do without drugs, they are destitute and some of them cannot even continue their studies. It is quite easy to understand that if the father dies in such circumstances, the widow finds herself in an extremely difficult situation. Therefore, I feel

that we, the legislators who should make possible a reasonable level of living for all Canadians, should give particular attention to those who are destitute. I think this is where lies the merit of this resolution to make available to the widow of a Canadian citizen the unemployment benefits to which the latter would normally have been entitled.

Mr. Speaker, I think that the workers in general and organized labour in particular will pay attention to the idea put forward by the hon. member for Megantic.

I do not think that we should vote against this resolution or extend this debate until ten o'clock without knowing whether the Minister of Labour (Mr. Starr) or the government are in favour of the principle of this resolution.

With unemployment at a record level in this country at the present time, the family should be given a measure of security, and I do not think the government should deal lightly with this question as did the hon. member who spoke before me. As I say, most Canadians would favour this principle which affects the working class.

The hon. member for Megantic is only asking that we declare ourselves in favour of this resolution and then, in due time, a legislation containing all the details that have not been explained so far could be introduced in this house.

(Text):

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I am very pleased to have this opportunity to express briefly my views on the subject dealt with by this resolution. I assume that the mover, knowing how often widows are left in difficult financial circumstances, wishes to assist at least those whose husbands are entitled to benefits under the Unemployment Insurance Act. I, too, well realize the need. I know of many cases where widows are in very needy circumstances, where the husband was unable for one reason or another, to provide for his widow. Indeed I know of many cases where the husband was unable to provide for his own funeral expenses.

Some may feel that this is the man's own fault if he did not make this provision while living so that his widow and family would be provided for after his death. There may be cases where this is true; but, generally speaking, when a man fails to provide for his widow it is because he was unable to do so. Even if no provision was made through the man's own fault because he may have been a spendthrift, as was suggested by the hon. member for Marquette (Mr. Mandziuk), that does not alter the fact that the widow is in real need of assistance. Therefore I think that the object which this resolution seeks to obtain is a worthy one and one which will meet with general approval.

I think we should realize that husbands, especially those in the lower income group, just cannot always make adequate provision for their wives and children because the income they earn must be used for the maintenance of the home and family. So that too often, and much too often, men die and leave their widows in desperate financial circumstances. I am referring to those who do not leave estates, as was referred to by the sponsor of the resolution in his remarks.

This is true not only when, unfortunately, a young man dies leaving young children, but it is also true of older men whose families have grown and have established homes of their own. I realize, of course, that in many cases some provisions are made by governments. If a man dies, leaving children under 16 years of age, the widow will receive mother's allowance from the provincial authorities until the children are 16 years of age. This has already been mentioned by some previous speakers. If the widow is 65 years of age she can receive old age assistance. There is also workmen's compensation, and so on.

But there are many who do not qualify for any of these benefits. If they are in need they can only apply for assistance under the social assistance act where this is in effect. I know that in my own province of Nova Scotia this is only paid if the municipality has agreed to share the cost, and certainly in Nova Scotia they have not all done so. Even where it is paid it is not the answer. There is still the idea of receiving public charity; there is no certainty that it will continue to be paid. I believe widows deserve better from their country. I think they should have that peace of mind, that feeling of security, which a pension gives when they receive assistance as a matter of right, not as charity and not as a favour.

Let us examine the situation which faces many women when their husbands die. At such a time there is always a need of money and often there is none. It is a time of severe emotional distress. Many adjustments have to be made, and it is at this most difficult time a widow has to face financial distress and make many difficult decisions. I know that younger women, if they have had special training before marriage, can often return to work. One sees them working as teachers, nurses, stenographers, office clerks and the like. But for a woman over 50 years of age it is another matter. She has spent her adult life as a homemaker. There is no possibility of employment for her; she has none of the skills or training necessary for a position in business or industry.

Personally, I believe the Canadian people have an obligation towards these widows, an obligation we should recognize and fulfil.

The amendment to the Unemployment Insurance Act proposed by this resolution would not solve the whole problem. Yet it would be of some assistance to many widows, and it is for this reason I support it. I well realize it would not assist those widows whose husbands did not come under the Unemployment Insurance Act. Further, it would not help those whose husbands had used up their benefits, and these in all probability would be in a worse financial position than widows whose husbands had not drawn such benefits. Again, if a man prior to his death had been receiving benefits there might be very little left for the widow to receive.

I well understand also that the Unemployment Insurance Act was not designed to make the proposed payments, to widows; it was not meant to be life insurance. Indeed, it is more in the nature of sickness or accident insurance. I suppose some people feel that since they have made contributions under the Unemployment Insurance Act, perhaps for many years, and received no benefits, their widows should receive them. I do not think this would apply any more than one would expect to get back premiums under an accident policy if one did not have an accident.

I think if this amendment were adopted there would have to be an increase in the contributions made by employers and employees, and there may be considerable opposition to this. Perhaps it is not practical to amend the act as this resolution seeks to do. As to this I express no opinion. If it can be done and I repeat, if it can be done, I would suggest that all widows of men who made contributions be treated equally and that any benefits received by the husbands be disregarded. I would further suggest that all such widows receive a lump sum payment or a weekly payment regardless of whether the husbands had received benefits, or, indeed, had exhausted their benefits under the act.

I think the mover of the resolution has performed a very useful service in bringing this problem to the attention of the house. It serves the purpose of focusing the attention of this house on the gap, as it were, which exists in our social security system. We do not have provision for the widows left in poor circumstances I have mentioned. Indeed, we do not have provision, either, for those older unmarried women who are without adequate means of support and who do not qualify for any of the various pensions now in effect. I believe the Canadian people would welcome the opportunity to make provision for pensions for those unmarried women who need assistance, or who will need assistance long before they would qualify for old age assistance. I hope it will not be too long before provision can be made so that those widows and those unmarried women I have mentioned will be receiving some form of pension. The need is there, and the need is great.

In any event, the proposal before us would, if adopted, give needed assistance to some widows at least.

Mr. Robert Simpson (Churchill): The resolution with which we are dealing today is one which I believe should be considered from every possible angle, because I am of the opinion that all members of this house are sincerely concerned about any situation where a widow finds herself in financial difficulties as a result of the loss of the family breadwinner.

Most of us at one time or another have witnessed the very difficult circumstances in which some widows find themselves. I know we all feel very strongly that various means should be provided in order that these financial difficulties might be in some way alleviated. Fortunately the financial situation does not always present the same degree of hardship. As has been mentioned today there are various provisions for the assistance of widows. Some hon. members have mentioned widows' allowances, which are available if financial circumstances prove them to be necessary. I believe this is a very worth-while social measure. Other hon. members have pointed out that compensation is sometimes available. We must, of course, remember that generally compensation is only available if a death occurs as a result of injury or accident, in which case it is doubtful whether the Unemployment Insurance Act would be effective anyway because in a great many of these compensation cases death is caused while the person concerned is on the job in which case, of course, there would be no eligibility for benefit under the Unemployment Insurance Act.

I notice one interesting point about this resolution. The hon. member for Megantic (Mr. Roberge) who proposed it specifically mentioned widows. As I say, that is commendable, and he is to be congratulated for having brought it to the attention of the house. However, there are many cases in close relation to this subject, which should, possibly, be given equal consideration. One that occurs to me is the case of a widower qualified to receive benefit, dies and has one or more small children. I think the situation there would be of the same nature as the one we have been considering, and the situation would perhaps

be more difficult than the situation of a widow left with small children. Of course, there are many cases where as the result of the husband's inability to work due to physical handicaps the woman of the family is the only breadwinner. In the event of her death, if she were drawing unemployment insurance benefits at that time, you would have a widower who is unable to work and possibly dependent small children. I notice that these cases have not been taken into consideration in this resolution and it is a cause of some wonderment to me why this eventuality should not have been included.

This resolution—as is the case with one or two provisions now included in the regulations under the Unemployment Insurance Act—is in the nature of a definite departure from the original concept of unemployment insurance. The original idea which I think should be stressed and applied was unemployment insurance benefits for those people who through no fault of their own are out of work and available for work. The concept embodied in this resolution is a departure from that. As I said, some of the regulations under the act are in themselves a departure from the original intention of the legislation.

If we examine the regulations carefully I believe we will find that people who were drawing unemployment insurance benefits and are committed to hospitals or mental institutions probably through no fault of their own are still able to draw benefits and of course they are not available for work during that period of time.

The act is primarily designed to provide benefits to those who for reasons beyond their control have become unemployed but who are available to accept employment. Appealing as may be the subject matter of this resolution I am afraid I cannot agree with the hon. member for Megantic that the unemployment insurance fund should be used for social welfare measures of this nature. I believe that financial assistance should be made available to widows where proved necessary in order to assist them to avail themselves of opportunities for adequate training to allow them to accept work in many of the fields where work of a certain nature is available.

As was pointed out by the hon. member for Cape Breton North and Victoria (Mr. Muir), many widows in Canada today are accepting employment in business establishments and stores. Some who were previously registered nurses are again taking up this vocation. Some are accepting employment in secretarial work and many others as teachers. In some cases I have found that they are very anxious to get into their line of work as quickly as possible.

[Mr. Simpson.]

Although I do not believe the unemployment insurance fund should be used for social welfare I reiterate that some assistance should be available to widows to allow them to take special training so they may avail themselves of work that may be available.

Over the years a great deal of criticism has been levelled at the present government by the opposition in regard to the present state of the unemployment insurance fund. I have definite opinions about the contribution made to the depletion of the fund by measures such as the one we are discussing at this time. Although I feel that the amount in the fund should at no time be the determining factor as to whether widows should be entitled to receive the benefits to which their deceased husbands would have been entitled, I am wondering why a measure of this nature is introduced at this time by an hon. member supporting a party that, when it formed the government and as a result of an economy not of its making, had the fund built up to a lofty figure and still did not consider at that time that it was necessary to bring in a measure such as the one before us for consideration today.

The plight of widows in financial straits today is no different from that of widows during the past 20 years and so I am wondering why this measure is being introduced at this time when all hon. members of this house are vitally concerned with the condition of the fund. I do not believe that the unemployment insurance fund is the means by which parliament should increase the social welfare benefits which must of necessity be increased in Canada and because I feel this is not the avenue we should follow in this respect I cannot support this resolution.

Mr. R. C. Coates (Cumberland): Mr. Speaker, I listened with a great deal of interest to the remarks of the hon. member for Churchill (Mr. Simpson). I felt that his closing remarks relating to the depletion of the fund were highly appropriate and pertinent in the discussion of this resolution. At the same time, like the hon. member for Churchill, I agree that this resolution contains much merit. The group of people it is designed to assist represent a classification that presently does not come under the fund and certainly consideration should be given to that question in this light. However, as the hon. gentleman pointed out, the idea behind this resolution is more in the field of welfare than in the field of insurance and should therefore be considered from that point of view.

In the past few years the unemployment insurance fund has been extended to assist groups and classifications of unemployed in fields not previously considered, including

fishermen and seasonal workers. This has placed the fund in a state of imbalance which has resulted in moneys being expended that were not accounted for when the original contributions were fixed as between employees, employers and government. As a result, great concern for the present state of the fund is being shown today by employees throughout the country.

In the light of these facts it is my opinion that consideration should be given to the setting up of a second fund, if that were feasible, in which could be placed such groups as seasonal workers, fishermen, farm labourers and possibly also married men who are seeking re-training in skilled occupations. Possibly this fund could be subsidized by the government, because all of these groups making contributions to it could not maintain it. Also possibly a percentage of the regular unemployment insurance fund could be used to help finance this second fund. However, I do believe that the significant amount that would have to go into it should come necessarily from the general revenue of the country. Everyone appreciates the problems that must befall the widow at the time of her husband's passing. I can think of nothing that is more tragic and no greater responsibility that is placed on a woman in her lifetime than in the losing of her husband.

It has been said that there are other means available to widows in those circumstances. However, we in government, I think better than anyone else, appreciate the red tape that is associated with any welfare payments that are available to the public. Certainly I will agree that in circumstances such as these civil servants make a determined effort to cut the amount of red tape to a minimum but red tape still exists. There are delays as well that make it most difficult, I would think, for a widow who was the wife of an ordinary wage earner, whose income through the years had been used up in providing the necessary essentials of life, leaving nothing available in the way of an estate to his family when he passed away. In these circumstances I would think that a payment such as is proposed in this resolution would be a Godsend to the wife for it would assist her to get over that period when things are most trying and allow her the opportunity to complete the necessary forms to enable her to qualify for other schemes which are available to her.

I cannot imagine how we could consider this as a proper type of measure to fall under unemployment insurance, as it was originally set up to establish protection for workers who through no fault of their own find themselves unemployed. It is a different type of scheme. Possibly the seasonal worker could also be considered to be not strictly within the original confines of the act and maybe the fisherman as well. Along with the fisherman, there is no reason why the agricultural farm labourer should not be in the same position.

All of these things seem to fit into a specific sphere that it was not the intention of the Unemployment Insurance Act originally to cover, but many of them do come under the act at the present time. If we were to place widows under the Unemployment Insurance Act we would just be going further in the direction that we find is causing us a great deal of difficulty today. What we must do is give consideration to a different scheme, something that will look after these most worthwhile categories but will not deplete the present fund beyond the point it has reached already.

Like the hon. member for Churchill, I wonder why the Liberal member did not bring this to the attention of his party and why they did not give consideration to it when they were in power. Certainly they were in power at a time when the fund was at a much higher level than it is at the present time. Undoubtedly it would have been much more feasible to undertake it at that time; that is, if they were considering this type of legislation or this type of individual. The fact is that probably the hon. member realizes that there has never been a government in power in Canada that has had a more humanitarian approach to the ordinary person in this country and more willing to listen and try to do something about the problems confronting the ordinary citizen than this government. Certainly, he was wise to bring this resolution before the house because he is sure, as are the widows of this country, that they will receive from this party and this government every possible consideration that can be given in the light of the existing situation.

Mr. W. L. M. Creaghan (Westmorland): Mr. Speaker, in opening my remarks I feel it only proper to bring to the attention of the house the experience we had in the province of New Brunswick prior to June, 1957. If hon. members had had the privilege of attending political meetings in New Brunswick and had gone to a Liberal meeting they would have heard appeals from Liberal speakers addressed to the voters in this way: Please, do not vote us out of office or you will lose your unemployment insurance benefits; please do not vote us out of office or a Conservative government, when in power, will take away your family allowances and old age security payments. I believe that since then the people of Canada have been made well aware of the fact that this government believes in social security and social justice. Legislation passed during the past two and a half years should be ample proof of that fact.

The resolution introduced by the hon. member for Megantic (Mr. Roberge) has a great deal of appeal to me as a member of parliament from one of the Atlantic provinces. The hon. member for Vancouver-Kingsway (Mr. Browne) put on the record the fact that the average weekly wage in British Columbia is as high as $83, while in the province of Prince Edward Island, according to the latest statistics, it is as low as $52. This fact encourages me to speak in favour of the resolution notwithstanding the fact that it was introduced by a member whose party had an opportunity for many years to introduce this type of assistance.

What I notice about the resolution is that perhaps it does not go far enough. I suggest to the mover of the resolution and to the house that the resolution may not be fair and just to all workers in the country. What about the widower? Should it not apply to him if his wife should die while entitled to benefits? What about single workers, male or female? They often leave unpaid debts when they die and many of them support parents who might be in need of assistance at that particular time just as much as a widow with children. What about a widower, whose wife has predeceased him, who dies and leaves infant children? There are also husbands to be considered, disability pensioners whose pensions are going to be increased but are still not entirely adequate or disabled husbands who because of their disabilities are dependent on wives who are gainfully employed.

All hon. members know that the unemployment insurance commission was established approximately 20 years ago. At the present time there are many local offices and about half a dozen regional offices located across the country. One of the large regional offices of the commission is located in the city of Moncton in the province of New Brunswick. This office serves the Atlantic provinces and because of the fact that large payments must necessarily be made to the residents of the so-called have-not provinces, the existence of unemployment insurance in the Atlantic provinces and in the other less fortunate areas of the country has done much to eliminate hardship and suffering. The existing payments from the fund, more than anything else in the form of social justice, have eliminated hardship, suffering and other unfortunate situations.

It is only in recent years that married women have been allowed to receive benefits. At the present time the Minister of Labour (Mr. Starr) has a study under way to consider the advisability of including farm labour and agricultural workers as contributors to the fund. When and if the scope of the act is enlarged to allow for this type of contributor we will then witness, as we do in the case of seasonal benefits, an additional annual drain on the fund.

At the present time the widows of Canada do not have uniform protection. We have heard mention today of the widow's allowance acts which are provincial statutes. In some of the provinces, particularly the prairie provinces, there are generous disability pensions whether the recipient is a widow or otherwise. Some of the provinces, particularly the four in the Atlantic region, have a maximum of $55 a month for disability pensions whether the person is a disabled woman or a former working man. It is near impossible for these provinces to increase these provincial pensions because of the fact that their revenue from taxation is somewhat restricted.

The hon. member for Winnipeg North (Mr. Smith) criticized the resolution because the mover did not include a time limit during which the benefits might be received. At the resolution stage I do not feel it is appropriate or necessary for the mover to include every aspect of his intentions. However, under resolution No. 44 the hon. member for Vancouver-Kingsway (Mr. Browne) has certainly given the house a great deal of information as to his intentions. It is unfortunate that the hon. member for Vancouver-Kingsway was not permitted to elaborate in his speech today on the intentions contained in his resolution. However, the principle was placed on the record and at this time I simply want to state that I am opposed to the principle of resolution No. 44 in so far as it would discriminate between residents of the poorer provinces.

Much has been said about the plight of widows. It seems to me that it would be relatively easy and would involve very little expense, if any, to amend the Unemployment Insurance Act to comply with this resolution. In recent years we have had an increase in old age security. I understand that the fund is almost carrying itself as a result of the amendment of the 2-2-2 formula to a 3-3-3 formula whereby 3 per cent of corporation taxes, 3 per cent of personal income taxes and 3 per cent of excise taxes are made available and allocated to the old age security fund.

By means of a simple regulation or amendment it should be possible to increase by a very small amount and allocate specifically a certain percentage of the contributions paid by the employer and employee in the purchase of unemployment insurance stamps. By doing so many more names might be added to the Martin statistics on unemployment. This could be remedied by putting widows who are not looking for work in a special category.

If the government should decide to implement the resolution, and to separate contributions in so far as widows are concerned, so as and to include these people in a separate category, perhaps at the same time the government should include other recipients in this classification. I suggest students attending technical institutes and vocational schools who can draw benefits although they are not, except by way of a fiction, available for work, and also older citizens in receipt of pensions.

I know a great many Canadian National Railways workers who on reaching age 65 retire on C.N.R. pensions. Because of the fact that they have made contributions to the unemployment insurance fund over the years they are permitted by law, and quite properly so, to draw benefits for a period up to one year. In many cases, however, they do not survive. If this particular type of employee on pension had lived his estate would have been increased in value to the extent of the benefits for one year. If one railway worker can draw benefits for one year while on pension I do not see why it would not be fair in the case of his co-worker who dies that his estate or family should receive similar treatment. I cannot see any difference.

Many workers in Canada have steady work year in and year out. Clerks in stores and office workers find steady work and contribute to the fund while so employed. On the other hand, some seasonal workers only work a minimum of 15 weeks during a one year period, make contributions of less than $1 a week and because of the legislation can draw seasonal benefits for a period of 13 weeks.

This does not appear to be fair in the eyes of the public. As a result, I want to say that I endorse the principle of this resolution and urge the government to implement it. The implementation of this resolution would not add very much to the administrative costs. It would not be necessary for the widows to register every week. They would simply prove that their husbands, had they lived, would have been entitled to benefits, prove the death and draw the amount to which the husband would have been entitled.

While speaking about widows I think it would be proper also for the members of this house to urge the Canadian Labour Congress, boards of trade and other national organizations to encourage amendments to many of the provincial statutes. As I stated earlier, in some provinces the widows are adequately protected by generous payments under widows' allowance legislation or under workmen's compensation. This is not the case in the poorer provinces.

In conclusion, Mr. Speaker, as a member from the Atlantic area I heartily endorse the resolution and note that most speakers coming from the poorer provinces have spoken today in favour of it.

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, we have now spent several hours on this particular resolution. I think we have had an opportunity to discuss it very fully. There are other resolutions on the order paper that are of great merit and importance to the country, and it seems to me that the mood of the house is such that we should be getting on to those other resolutions.

Accordingly I move, seconded by the hon. member for Edmonton West, that this debate be now adjourned.

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

Mr. Howard: On division.

Motion agreed to on division and debate adjourned.

OLD AGE ASSISTANCE

PROPOSED EXTENSION TO UNMARRIED WOMEN AND WIDOWS AT 60

Mr. Hubert Badanai (Fort William) moved:

That, in the opinion of this house, the government should consider the advisability of extending old age assistance to unmarried women and widows of 60 years of age.

He said: Mr. Speaker, this would appear to be a day for the humanitarian instincts of hon. members to rise to the surface. I am sure that the spirits of many departed members must be hovering above us and looking benevolently on those who are in favour of the resolutions which were being produced here this afternoon, particularly the one introduced by my good friend the hon. member for Megantic (Mr. Roberge). The same spirits I am sure will be looking down with disfavour on those opposing these benevolent proposals.

With your permission, Mr. Speaker, I should like to call it six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Badanai: Mr. Speaker, prior to the adjournment at six o'clock I had the privilege of moving the following resolution:

That, in the opinion of this house, the government should consider the advisability of extending old age assistance to unmarried women and widows of 60 years of age.

Apart from unemployment, health and hospital care, the area of social welfare

which receives government attention in Canada today has to do with security for aged persons unable to find even casual employment. Of these, the group which has been overlooked is undoubtedly the unmarried woman and widow of 60 years of age and over. During the years that I served as mayor of Fort William I was frequently approached for assistance by individuals, some of whom were out of work, others were incapacitated in some way and unable to obtain or qualify for employment.

Compared with the present time those were prosperous years, but of all these unfortunate people those who looked the most pathetic and who made the greatest impression in their appeal were the women who had reached their sixtieth birthday and were unmarried or widows. Here was a type of citizen who found it most difficult to obtain work anywhere.

I recall the time in 1949 when our telephone system was converted from a manual operation to a dial system, with the result that upwards of 60 women operators were laid off. While the city, which owned and operated the telephone system, gave each a generous severance allowance in accordance with the number of years they had been employed, the older women soon found themselves out of money with no prospects of finding employment in other jobs. These women were unmarried or widows and several of them came to the city hall seeking relief from our welfare department.

I have had this resolution on the order paper for the last two years and during that time I have received hundreds of letters commending this motion. Many of these communications were of a heart-rending nature.

To better emphasize the need and to illustrate my point I have selected two cases which I will endeavour to present in a very brief form. One case concerned a Mrs. A, we will call her, aged 62 who had five children. Her husband, formerly employed as a boilermaker, died after a lengthy illness, leaving $1,500 in an insurance policy, which money was used up to pay funeral expenses and doctor's bills. Mrs. A has since been unable to find employment anywhere, except for odd times as a dishwasher, second cook and baby sitter. Her children are all married and raising families of their own. The only remaining source of income she can look to in order to live is charity or city welfare relief.

The other case to which I wish to refer concerns an unmarried woman of 59 years of age who had been a store clerk and is now working only part time. She is now living on unemployment insurance. She made the statement that she was born six years too late, for if she were 65 she could qualify for old age assistance. For a woman to admit that she would rather be six years older than she actually is can only mean that a fearful future is the compelling reason for such an admission.

One of the saddest sights to look at is a destitute woman whose bloom of youth has departed with the years and where the frailty of the human body has visibly set in. As a consequence she is invariably seized with a spirit of dejection the like of which can only be found in people whose creeping despair reflects the extremes of adversity.

In the statements of Liberal policy adopted by the national Liberal convention held in Ottawa in January, 1958, in the resolution on social security there is a provision for the extension of old age assistance to unmarried women and widows of 60 years of age. The critics of this proposed legislation may point out the cost to the government if the recommendations contained in this resolution were to be enacted; it will certainly cost money, but I dare say that with a close examination of the facts it can be done.

I would propose that the present contributions to the universal old age pension fund of 3 per cent of income, 3 per cent of corporation tax and 3 per cent of sales tax, which was increased from 2 per cent to 3 per cent in 1959, be increased to 3½ per cent. This would enable the government to not only provide a pension for unmarried women and widows of 60 years of age, but would leave enough to boost the present pension of $55 a month.

At the same time, a higher contribution would have an anti-inflationary effect, thus keeping the value of the pension more stable, and with the development of the country and rise in national production it can be expected that pensions will be increased again in the future.

If and when the government proposes some changes in the old pension scheme, such as the suggestion made by Professor Robert Clark of the University of British Columbia, who made a deep study of the American scheme which is financed by workers and mangement contributions, it would be logical for the government to add the contributory phase so that pensioners could reap the benefit of their own contributions. The introduction of a contributory plan would make possible a reduction from the age of 70 to 65 for men and for women in general to the age of 60.

In any contributory plan, however, pensions should be made portable so that the worker would be able to bring to the new job the pension benefits saved during his or her earlier employment. This would reduce the

pension costs to the new employer and make him more ready to hire the older man or the older woman. I wish to make it clear that by portable pension I mean that all the contributions made by both the employee and the employer are to be transferred from the former job to the new job.

The prospects for the future of our country are much brighter than they appear on the horizon at the present time, and with faith and good management there should be no depression in the vision of Canadians anywhere. Our country is going to grow and increase in wealth beyond the optimist's wildest dream, and it should be our purpose to make life a little bit easier for those who have made their contribution to the sum total of our national heritage and whose fortunes have not been commensurate with what they gave Canada. To these citizens, a reasonable standard of living should be provided by the nation.

Australia, Belgium, Denmark, Greece, Iran, Israel, the Union of South Africa and the United Kingdom; all these countries have set the minimum pensionable age for women at 60, five years lower than the age for men. In countries such as Brazil, the Dominican Republic, France, New Zealand, Paraguay, Peru, the Philippines, Thailand and Turkey, both men and women retire and receive pensions at 60 years of age. In Russia and Japan men receive pensions at 60 and women receive pensions at 55. I have taken these facts from the *International Labour Review* of October 1955. In 1956 the United States brought the retirement age for women down from 65 to 62, the retirement age for men remaining at 65 in that country. Here I wish to quote from the same review at page 266:

> It is very important for the pensionable age to be adjusted to the security needs of older workers, since the essential purpose of old age pensions is to deal with such needs... The two main causes of involuntary loss of income on the part of aging workers are loss of ability to work and loss of ability to find a job even while still capable of working. Employment statistics often indicate that women tend to encounter difficulty in remaining in employment at an earlier age than men. Old age benefits have as a purpose not only the aiding of disabled and unemployed older workers. They should also enable all aged workers, if they wish to enjoy a period of leisure and rest following a long working life, to do so.

In answer to an inquiry sent out by the commission on the status of women of the United Nations economic and social council, one international group replied that some of its affiliates did consider earlier retirement for women, and I quote:

> A fair compensation for the special burdens connected with motherhood and care for the family carried by the majority of women, a burden which is particularly heavy for the great mass of women who live in poor economic circumstances.

Since age of retirement has a direct relationship to age of pension, the same reason could be given for women receiving the old age pension at an earlier age.

How can we justify the retirement of air force officers at various ages between 45 and 50 with pensions up to $6,000 and $7,000 a year at a time when most of these men have an opportunity of resuming a gainful career in other fields, while at the same time denying a miserly pension of $55 per month to destitute women of 60 years? I do not criticize a policy which was designed to guarantee certain changes and advancement for men in the services in time of war. I merely wish to call attention to a situation which should be rectified by bringing about a policy more in keeping with the times.

It could also be argued that it is possible to establish flexible pension provisions between pensionable age and retirement age. The method of applying this formula would be a reduction of pension when the person concerned continues to work.

It has also been said unemployment insurance can take care of persons when they are not of retirement age. My answer is that unemployment insurance can only deal with short term periods. Unemployment insurance is not organized to handle the problem of semipermanent unemployment because of age. Hence, old age pension benefits must be adopted to fill the gap.

It must be realized that the principal factor influencing the age at which men or women need pensions should be the difficulty they meet in finding and retaining employment as they advance in age. There is hardly any need for me to re-emphasize the accepted fact that, with the exception of nurses and domestics, women reaching 60 years are the first casualties in the labour market.

This resolution, however, does not recommend a pension for all women of 60 years of age. It limits the benefit to unmarried women and widows. However, I would certainly have no objection if the government would extend the same benefit to all women of 60 years of age regardless of marital status.

In a summary prepared by the United Nations economic council commission on the status of women the suggestion was made that if the age were lowered with respect to the eligibility of women for pensions professional women would be placed at a disadvantage to the point that an employer might be inclined to discriminate against them and dismiss a woman in preference to a man because she would be entitled to a pension. Another point made was that employers might replace older women workers with younger employees who would work for

less wages even though the older women were quite capable of performing their work.

These and other objections are superficial as can be seen from the action already taken by several nations which I have already mentioned. In spite of arguments to the contrary, 19 nations of the world have lowered to 60 the eligibility age of women with respect to pension benefits and no less than 4 countries in the western world are paying pension benefits to women at age 55, namely Italy, Japan, Panama and Argentina. This by no means exhausts the list.

The humanitarian aspect of this resolution is such as should move not only this government but even a heart of stone. Its implementation would bring hope where there is now dejection, would lift the spirit of a human being from the dark recesses of despair to the heights of light and contentment in the declining years of a woman's life.

In conclusion, I express the hope that every hon. member of this house irrespective of where he sits will want to be counted as favouring this resolution not because of any political consideration but because he supports the view that beneath the exterior of a poor, destitute woman beats a heart as noble as any of those whose fortunes enable them to bedeck themselves with the finery which wealth can provide.

(Translation):

Mr. Georges Valade (St. Mary): Mr. Speaker, I wish to thank and congratulate the hon. member for Fort William (Mr. Badanai) who amazed us with his pathos and in particular with the interest he showed for a category of citizens who seem to deserve official attention.

May I also thank him for having touched lightly—without political passion, at the beginning of his remarks—on the fact that Canada looks prosperous to him. We, on this side of the house, have never doubted it, and I could not help wishing that his party's horsemen of the Apocalypse were there on the front benches to listen carefully to his remarks.

Mr. Deschatelets: We will be in office a year from now.

Mr. Valade: Mr. Speaker, our friends in the opposition are putting forward a measure which, I think, has some merit. As a representative of the working class, of a constituency which has experienced misery, even during the most prosperous war years, when our Liberal friends were in office—

[Mr. Badanai.]

Mr. Deschatelets: You should try to find better arguments than those.

Mr. Valade: —I may say that I agree with the resolution now being considered. However, I wish the resolution went further and were considered without any political consideration.

I carefully followed this afternoon the remarks made about resolution No. 3, which has fairly close connection with that of the hon. member for Fort William.

At that moment I heard my good friend, the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets)—who delights in applying a few nicknames to me—make some remarks of a political nature. Well, Mr. Speaker, I will try to discuss the problem objectively and submit to the house the social considerations I intend to put forward.

However, may I revert to the argument which the hon. member for Fort William most eloquently put forward when, in his opening remarks, he mentioned the case of the 60 year old Mrs. A who was utterly destitute.

Well, Mr. Speaker, I myself have in mind an identical case which was brought to my attention, but the person concerned was only 59 years old. Consequently, I wonder why the hon. member for Fort William put in that restriction in his resolution, and set a 60 year limit instead of extending it further.

Mr. Speaker, in this resolution I do not like the words "old age assistance". I would have preferred a more eloquent expression to recognize, as stated by the sponsor of this resolution, the merits and commendable contributions made to our country by those elderly people. I feel that to consider as old someone who is 60 is not in keeping with the respect I have for that category of people. As I say, I would have preferred a much more eloquent description.

Mr. Speaker, if the principle is basically excellent, it should be fully studied, for we would not like to see inadequate proposals or resolutions introduced in this house only for the sake of discussion, which could be used as a political stepping-stone and which would not have the immediate result of bringing any relief to the people concerned.

This seems to be somewhat characteristic of any legislation put forward by our friends opposite. For instance, when the unemployment insurance act was passed, great claims were made about the social and politico-social import of that legislation.

But it required the coming into power of a Conservative government, conscious of its responsibilities, to correct and amend that legislation, and adapt it to the requirements of our working class, by extending the benefits and making them more readily available to those who needed them.

The same, Mr. Speaker, could be said about the old age assistance act. There again, as stated by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) we have a measure, a piece of social legislation introduced by the Liberal party, but which, once again, had to be amended and improved by the Conservative party so as to make it beneficial for the people of Canada.

You know as well as I do, Mr. Speaker, what meager pittance our senior citizens were receiving under the Liberal regime.

We amended that legislation and increased the old age pension from $40 to $55.

Mr. Lessard: $46.

Mr. Deschatelets: Amend yourselves, amend yourselves.

Mr. Valade: I think my hon. friends are mistaken.

Mr. Habel: No, it was $46.

Mr. Valade: The pension was raised from $40 to $46, and we increased it to $55. That is a plain fact which our friends do not like to hear, but I believe it is my duty to point to the act itself. I would ask our friends to look up the statutes and see for themselves, as I did, the substantial improvements which the Conservative party had to introduce in their so-called social legislation.

Mr. Habel: One should be fair.

Mr. Valade: Mr. Speaker, in order to protect the public and certain classes of people, a legislation must be efficient and adequate. The needs of such classes must be carefully considered. There should be no groping in the dark when dealing with such significant legislation as this.

Since I have been sitting in this house, I heard on many occasions, little else but criticism from the opposition with regard to the enormous deficits registered each year by the Conservative government. As for the Liberals they boasted of having left the country with a surplus of nearly $900,000,000.

Mr. Deschatelets: It is true, it is true.

Mr. Valade: And all that time all our senior citizens were getting was a pension of $40 a month.

Mr. Lessard: Sorry, $46.

Mr. Valade: Forty dollars. The pension had started at $40. This proves, therefore, that when the Liberal party was in power, and the coffers were full, there was no thought at the time of the existence in our society of destitute classes needing special attention. It is then that the hon. member for Fort William (Mr. Badanai) should have introduced this legislation.

An hon. Member: Quite true.

Mr. Valade: Mr. Speaker, with surplusses in their coffers, the Liberals preferred to finance the pipe-line.

As soon as the Conservative party came to power, it gave thought to improving social legislation and helping destitute Canadians. My hon. friend from Fort William should not forget that all provinces have some form of public and social assistance legislation. We too, in the province of Quebec, have a similar law. I refer to statutes 59-60, 8-9 Elizabeth II, chapter 73 and if you will allow me, I shall quote from section 22, as amended in March 1960:

> May be admitted to public assistance institutions, at the expense of the government, municipalities or public assistance institutions, needy persons who provide the authorities of the public assistance institution where they are admitted with evidence of their state of destitution, in accordance with the provisions of this act, as well as evidence of the incapacity of persons responsible for providing them with food or care.

There are other paragraphs dealing also with assistance given by municipalities to destitute persons, through the medium of the province. The federal government already contributes at the rate of 50 per cent.

From the bottom of my heart, I sympathize enormously with the intention which prompted the hon. member for Fort William to introduce this resolution. However, I doubt that this resolution has been given adequate and detailed consideration.

I should like to see the day, and I am sure the Conservative party will do everything in its power to achieve that end, when parliament introduces legislation to eliminate all human misery in Canada. I wonder why the hon. member for Fort William put a 60 year limit on the proposal he submitted to the house. Misery knows no age, regardless of matrimonial status, condition or sex.

I should have liked a motion introduced that would take into account not the age of certain people but their circumstances.

I appreciate that such a measure would perhaps appeal to certain newspapermen, sympathetic to a cause foredoomed to failure, the cause of the Liberal party.

I realize that in order to make up for the ill-starred exhibition staged by the Liberals in Ottawa early in January—

Mr. Deschatelets: The hon. member can hardly talk of something he does not know, since he was not there.

Mr. Valade: I can understand that the Liberals, in their attempt to deceive the electorate, proposed resolutions that were inadequate and discriminatory to other categories of needy people. Nevertheless, this legislation is not consistent with social justice because, while providing for the needs of some people, it overlooks the needs of others.

Mr. Speaker, I would be in favour of social legislation which would recognize the need for assistance of all categories of the needy, regardless of age or of marital status. The proposal being submitted today is obviously only fragmentary, it is makeshift legislation and offers no real solution.

The Conservative party has never favoured a group of individuals at the expense of some other group, as Mr. C. D. Howe used to do.

The Conservative party has gone the Liberals one better in the field of social legislation, and this puts the Liberals in an uneasy situation before the voters.

Human misery is not a problem that comes solely under federal jurisdiction. It is a problem that every class of our society must consider. There are social groups, welfare organizations; there are also municipal and provincial governments, which also have their responsibilities as far as social legislation and public assistance are concerned. Municipalities and provinces must also submit their problems in that field.

The Conservative party will adopt social assistance programs that will help all the destitutes; all classes of the needy will benefit from those programs. Then, when I go back with pride and dignity to the electors of my riding, I will be able to tell them that when I took part in the debate on their miseries, I did not do so in order to make political hay and to make a few newspaper headlines.

Mr. Speaker, those people know that, when the time comes to accept, adopt or propose legislation to eliminate human misery, I will be among those who cast an affirmative vote.

[Mr. Valade.]

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, my first words will be to offer my sincere congratulations to the member for Fort William (Mr. Badanai) for the resolution he submitted to the house and which reads:

> That, in the opinion of this house, the government should consider the advisability of extending old age assistance to unmarried women and widows of 60 years of age.

I agree with the hon. member that if there is a group deserving of our consideration, it is indeed that of widows and single women.

During my political career, and more particularly in recent years, I have met many widows and single women who asked me: "Why do you not introduce legislation that would allow us to get our pension at the age of 60?" Then as now those women were asking for a pension at 60. Why? Because in most cases, they cannot find employment and in many cases widows, for instance, who have raised large families, are unable to do the work they are offered, I feel that society must assist those needy persons by means of a pension.

Besides, the Liberal party has always been concerned with the welfare of the needy. The social security legislation now on the statute books shows clearly that the Liberal party has always sought to help people most in need of assistance.

Mr. Speaker, during the election campaign of 1958, on February 10, 1958, the Leader of the Opposition (Mr. Pearson) made a speech entitled "Social Security". About old age assistance, he had this to say:

> Unmarried women and widows will be able to get old age assistance benefits at the age of 60 instead of 65.

Well, that suggestion, with many others in the Liberal platform, was laid before the electors, but it was not approved by the majority.

However, to show that the Liberal party has its heart set on giving such pensions to needy persons at age 60, let me quote clause 25 of the Liberal party platform during the provincial election held in the province of Quebec last June:

> Widows and unmarried women will be eligible, starting at age 60, for the pension now being paid to persons aged 65 to 70.

I am happy to see, Mr. Speaker, that an amount of $5,000,000 has been included in the estimates of the Liberal government of Jean Lesage for 1961-62.

The Liberal party in Quebec has found an expression which should certainly please my friend, the hon. member for St. Mary (Mr. Valade) who does not like the expression "old age pension". Here we speak of "allowances for widows and spinsters aged 60 to 65."

Mr. Speaker, I am not pleading here for the widows and the unmarried women in my province—

Mr. Pigeon: Mr. Speaker, may I—

Mr. Leduc: —because in a few months hence, they will be receiving the pension provided for such persons aged 60 to 65.

Mr. Pigeon: Mr. Speaker, may I put a question to the hon. member?

Mr. Leduc: —I am rather speaking on behalf of all women, all the widows and unmarried women in the other provinces who do not and may not for a few years perhaps, enjoy the benefits of such a social welfare measure as the one which the Quebec government will be putting into effect during this session or the next.

Mr. Pigeon: Mr. Speaker, may I ask a question?

Mr. Leduc: I should like to see the federal government pass a bill under which all widows and unmarried women in need would receive a pension equal to the one which is now provided for persons aged 65 to 70.

Mr. Speaker, the government should, in my opinion, give serious consideration to this resolution and bring forward, during the present session, a bill providing help for all widows and unmarried women in Canada.

Mr. Pigeon: Mr. Speaker, may I put a question to the hon. member for Gatineau?

Mr. Denis: Later.

Mr. Pigeon: May I put a question to the hon. member for Gatineau?

Mr. Leduc: Yes.

Mr. Pigeon: Could he tell me whether the Quebec government is going to levy a special tax as in the case of hospital insurance.

Mr. Denis: Ask Mr. Barrette.

Mr. Leduc: Not being the minister of finance of the province of Quebec, I cannot answer that question.

Mr. Denis: People will be required to buy shares of the natural gas corporation.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I was pleased to listen to the hon. member for St. Mary (Mr. Valade) and to the hon. member for Gatineau (Mr. Leduc) who has commended the legislation scheduled to be introduced in the Quebec legislature.

I was right in putting that question to him earlier, because people in Quebec are a bit uneasy, and are wondering if there will not be a special tax levied to finance that increase in pensions, for they have already had their fingers burned. In fact, a provincial tax is being levied now to provide for hospital insurance. That is why I am putting that question, because people in Quebec are wary of their present government.

(Text):

Mr. Speaker: Order. The hon. member seems to have got into another jurisdiction. We are debating matters within federal jurisdiction.

(Translation):

Mr. Pigeon: Mr. Speaker, I carefully read the resolution introduced by the hon. memper for Fort William (Mr. Badanai) and I also listened very closely to his speech. In principle, his resolution is excellent, but in actual fact, one always wonders how to finance such a plan, where to find the money required, because, after all, the taxpayer always has to pay, and it is always the people of Canada who have to finance the social measures introduced in this house to improve their condition.

I have a suggestion to make, Mr. Speaker. It is common knowledge that I have put on the order paper a bill for the purpose of establishing a national lottery, the receipts of which are intended to raise family allowances, with rates increasing in proportion to the number of children, and also to raise pensions.

Would it not be advisable that the Canadian government consider the possibility of establishing a national lottery? I should like to point out also that certain newspapers mentioned this lately. I am thinking in particular of *La Presse* which ran several articles on the matter, and is now conducting a survey in this regard. Moreover, I must remind you that this project has the support of labour unions.

I am not against a provincial lottery, of course, provided there would be one in all provinces. Mr. St. Laurent himself objected

to a lottery in only one province. Why? Because, supposing there were a lottery in Ontario only, and not in the other provinces, money from Quebec and other provinces would pour into Ontario to the prejudice of the other provinces.

I wonder whether it would not be important that the Canadian government consider the advisability of setting up a federal lottery, whose receipts would serve to improve our pension plan, and to raise pensions.

Mr. Roberge: Mr. Speaker, I rise on a point of order. The hon. member is now dealing with a federal-provincial lottery. I should like to call your attention to the fact that a bill, namely Bill C-18, for the purpose of establishing a Canadian lottery is standing in his name on the order paper. In my opinion, the hon. member has no right to anticipate, and should confine his remarks to the resolution now under discussion.

Mr. Deputy Speaker: Of course, the hon. member may not discuss at length the establishment of a lottery, national or otherwise. Nevertheless, I believe it is proper to suggest that the purpose of the resolution could be financed through a lottery. I feel however that he has said enough on this matter and I would ask him now to suggest other means of financing, if he has any other to suggest.

Mr. Pigeon: Thank you, Mr. Speaker, for giving me this opportunity to point out certain methods of financing. I might have been out of order at the beginning, but one should not be content to advocate a social measure. Also to be considered is the method of financing. That is why I made that suggestion to the house. I hope it will be possible to consider that plan in a not too distant future.

Mr. Speaker, I only wanted to call the attention of the house to the bill standing in my name on the order paper.

Mr. J. E. Bissonnette (Quebec West): Mr. Speaker, I wish to seize this opportunity to offer my congratulations to the hon. member for having sponsored such a resolution. I am not so good at making a speech and I have no intention of wasting the time of the house by delivering a long one. However these measures are such commendable ones that I would not want to miss this opportunity of congratulating those who have decided at last to take notice of the ills of the people and to present resolutions such as the No. 3 resolution put forward this afternoon by the hon. member for Megantic (Mr. Roberge) and the one which is now before the house and which calls for the extension of old age assistance to unmarried women and widows of 60 years of age. Such measures appeal to me.

Speaking as a physician, I may say that in the course of forty years of general practice, I have been witness time and again to the destitution and the extreme poverty not only of unmarried women and widows of 60 years of age but also of widows as young as 40, 35 and often 30.

I have therefore congratulations to extend to the hon. member for Fort William (Mr. Badanai) and also to the hon. member for Gatineau (Mr. Leduc) who seconded the motion. However, I have to blame them for one thing and that is for not going far enough.

I agree that we must help those in need. We are here for that. We are here to make laws for the people, to extend to them a helping hand in order not to be beaten in two or three years time by our opponents for having failed to care for the ills and the problems of the people, and for having withdrawn from them.

We want to live up to the excellent reputation which is ours. If we were elected in 1958 by such a great majority, it is because our program took into account the ills of the people. That is the reason why we are members of a government such as this one.

As a physician who sympathizes with the ills of the people, I am happy to say to my hon. friends in the opposition that I am in favour of welfare measures, but I must add: "You do not go far enough. Be more generous." I would suggest, even to the sponsor of the motion to present it again one day and to make it as generous as I would like to see it. In the meantime, I would ask the Minister of National Health and Welfare (Mr. Monteith) to go on with the assistance he is already giving, pending this more generous measure that will come from our hon. friends in the opposition. I would ask him to continue to the people the benefits of the Unemployment Insurance Act amended in 1957, while we are waiting for this more generous legislation that will perhaps be proposed by our hon. friends from the opposition.

I therefore urge them to be generous and bring relief to those aged 60, 40 and 30 years, and more particularly to the widows who, being left without means, with a family to

support, and therefore being unable to work outside, need a generous piece of legislation such as only this government has been able to enact since taking over.

In fact, did this government not, as soon as it took office, raise the old age security pension from $46 to $55 a month, until it is hiked to $75 at an early date. I suggest that this government take this step and at the next general election I shall be happy to ask my government to double, if necessary, for people who deserve it, the rate of old age security pensions and widows' pensions, particularly for those who are suffering hardship because of their age and family obligations, and who are unable to earn a living.

The people will certainly realize and note that while we have no monopoly on social welfare, because politics should not be mixed with welfare, we do have, however, a monopoly on common sense, balance and private initiative. The people will also realize that a government should legislate and govern with the money from the people, with people's money, something we should always keep in mind. We might also recall at this time that the Leader of the Opposition recently blamed us for spending those $500 million of savings put aside by the Liberals when the people had just upbraided the latter for not looking after them. Today he asks us to lead the country into debt through deficits and to help the people.

Well, with all this good advice, you may be assured that I, for one, on behalf of my constituency of Quebec West, and as a medical doctor, have spent all my life trying to relieve human suffering, shall commend my government and urge its members to keep up its splendid policies, its good work for the protection of the poor, the sick, the afflicted, the suffering and the needy.

(Text):

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): Mr. Speaker, first I should like to congratulate the hon. member for Fort William (Mr. Badanai) for introducing this resolution. It is a fact that unmarried women and widows of 60 years of age and over constitute a class of persons who are very vulnerable to the vicissitudes of the economic facts of life.

It is difficult to find employment at that age and they must often be faced with difficult problems, problems which none of the existing federal social legislation can help solve. It seems to me this is an omission which ought to be rectified. Our nation has an enviable record in social and welfare legislation, but time brings changes, shows up weaknesses and makes evident where additional legislation can be brought in to round-out the social benefits and the welfare system which we have.

The resolution which is now before the house seems to me to be one of these things, the result of recognition of a need. It asks the government to consider the advisability of extending old age assistance to unmarried women and widows of 60 years of age and over. This resolution seems to me to be a worthy one and I hope it will be given serious and sympathetic consideration by the government.

In closing these brief remarks I would like to make one observation. I thought this resolution was as non-political as a resolution could be, but the ensuing debate has shown how wrong I was. For instance, I learned with a great deal of interest and dismay from the hon. member for St. Mary (Mr. Valade) that the social legislation of the previous Liberal administration was nothing but wicked political devices, if I understood him correctly, which were transformed by some strange alchemy of Toryism into welfare measures.

I doubt whether the record of history will agree with this interpretation.

Mr. G. C. Fairfield (Portage-Neepawa): Mr. Speaker, I am sure everyone must be very sympathetic to a resolution such as this put forward by the hon. member for Fort William (Mr. Badanai). However, I think there are many questions that should be asked. The hon. member has brushed some of the questions aside as being not fundamental and of no value in any argument. For instance, there is the question that all widows with or without jobs, all unmarried women with or without jobs should have a pension at the age of 60. He brought up this matter of professional women practically forced into retirement at the age of 60, and the employed women whose employers desire younger ladies and may have a very good excuse to put the older women out of work. These are questions that, despite his quick desire to brush them aside as having no meaning at all, should be answered; and I have not as yet heard any answer from the opposition benches.

The hon. member states that the Liberal convention in 1958 first passed this resolution. I am quite sure that if our friends in the opposition thought it would gain them a few more votes they would lower the age to 50 and raise the so-called baby bonus to

40. Therefore we would have a gap of ten years for the New Party to fill up. The hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) stated that this was being looked after by the new government in Quebec as no other government in Canada is doing. I think possibly he does not know about our Conservative government in Manitoba. In 1959 they passed an act, one of the sections of which reads:

> —the government of Manitoba and each of the several municipalities in the province may take such measures as are necessary for the purpose of ensuring that no resident of Manitoba, including an Indian . . . lacks
>
> (a) such things, goods, and services as are essential to his health and well-being, including food, clothing, shelter, and essential surgical, medical, optical, dental and other remedial treatment, care, and attention; and
>
> (b) an adequate funeral upon his death.

It goes on to state in this act that they will have a certain means test, of course, and that the social service officers will decide, through the minister of health and welfare, who shall come under the act. They even have an appendix to the act stating what are reasonable amounts for fuel, food, and so on. Saskatchewan has one of these social security acts, and I am sure other provinces have also.

So this is a statement which the hon. member has just drawn from out of the blue without any backing whatsoever. Our people in Manitoba do not particularly need any assistance, whatever the other provinces may need, in so far as unmarried women and widows of the age of 60 are concerned.

In the field of federal social security we have also passed an amendment to the unemployment relief and assistance act and it shows in the annual report for 1959 that after this amendment was passed we had almost a doubling of the amount of unemployment assistance from December of 1958 to January of 1959. I am sure that a great many of these people were 65 years of age. I will admit that. But there are a great many people who have come under this act and who have been helped by the federal government.

I wish to remind hon. members of the opposition of the words of their leader who stated something that I think they examine every time they go through a convention. It was put on the record on July 4, 1960, at page 5666. This is what he said, as reported in *Hansard*:

> May I conclude, Mr. Speaker, with one or two very general and very short observations. In recent years the asserted claims of the individual on the state have been matched by his protests against the state's interference in his activities and in his private life, an interference which his own demands have made easier and in some cases inevitable. The state cannot provide services and support for the citizen without acquiring the power and authority which is necessary and desirable for that purpose. Put it another way; more social security, desirable and even necessary though that is, may often be the means to greater state powers, and the latter persistently press against the freedom and rights of citizens who are to benefit from these powers.

It is true, that the citizens who receive this social security are helped, as indeed many of them should be helped, but those citizens who have to pay for it should have some representation in this House of Commons and should have someone to speak for them. I think the words of their leader should be taken well to heart by members of the opposition, namely that if you ask for social security you must ask for control. If, for example, this resolution was passed, there would in fact be some control over the employment of women who had reached the age of 60. We know that many of these women are deserving. Notwithstanding that, many are covered at the present time by provincial statutes and many, too, are quite capable of carrying on their work past the age of 60. They have many years of good work still within their power. So although I say that I am in favour of a resolution which specifies help where there is need, I certainly am not in favour of this resolution as it is presently worded.

Mr. M. W. Martin (Timmins): I see that a noticeable improvement has been made during my absence from the house this afternoon. We now have before us another resolution, put forward by the hon. member for Fort William (Mr. Badanai) who is also a member of the Liberal party, and I must say it is a marked improvement on the resolution we had before us earlier today. This resolution is one which we can support fully, because unlike the wonderful province of Manitoba, unlike the wonderful situation which was expounded by the hon. member for Portage-Neepawa (Mr. Fairfield), there are many women affected by this resolution and who need this type of help in the province of Ontario and, I am sure, in many other provinces. I am even inclined to believe that if the hon. member looks hard enough he may find a few in that category in the province of Manitoba as well.

This resolution does point to a serious problem in our society, and that is the situation faced by unmarried women or widows at the age of 60 and over. While the employment situation is as it is in this country at the present time the people in this category certainly find themselves in an unenviable position. This might not be so bad if there were full employment and if jobs were available for everyone who wanted to work. Unfortunately, that is not the situation today,

and I am afraid there have been few occasions in the history of this country when such a situation existed. Consequently women who reach the age of 60 find themselves in a very disadvantageous position on the labour market. However, I should like to make it clear that we support this measure only as a stopgap measure and not as a real answer to the situation. In fact, this is just another patch on the leaky tire of our social legislation in this country.

I believe the solution to this problem is one which we have suggested many times in this house, namely the implementation of a portable pension plan with some kind of joint survivorship clause so that if a woman should reach the pensionable age while single the pension for which she had worked all her life could be granted to her. If, on the other hand, the woman concerned was left a widow, her husband having worked over the years, then through this portable pension plan capable of being carried from job to job, and through the joint survivorship clause in the plan, her financial difficulties would be overcome and there would be no need to add another patch to the worn-out old tire of our social legislation. I think the fact that we have so many of these resolutions, each dealing with a certain weakness, a certain fault in our present social legislation, only bears out our contention that it is time we really tackled this job and came up with a satisfactory over-all solution to it.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, today is a memorable date for the official opposition, two of their resolutions are actually being discussed at one sitting, on a Monday, which is private members' day. That is indeed a very rare occurrence.

These two resolutions deal with social security benefits. As I say, the fact that both resolutions were submitted by Liberal members certainly creates a precedent.

Mr. Speaker, we are very often accused of bitterly criticizing while not submitting any suggestions nor realistic recommendations to the government.

Well, today and every day, we formally deny these accusations. We have submitted two significant resolutions. If this government were to accept them, I would think that this country's position would become much more hopeful than it is at present.

Before starting to discuss the resolution itself, Mr. Speaker, I would like to point out a few remarks made by some hon. members on the government side.

The hon. member for St. Mary (Mr. Valade), told us in his speech, that in 1957 when our term came to an end, we had a surplus of $900,000,000. Of course, here as on other occasions, the hon. member is mistaken. First of all, we are dealing with the unemployment insurance fund which if I remember correctly, in 1957, amounted to $927,000,000.

That position is understandable. At that time, the unemployment situation was not as serious as today, when it is draining away substantial amounts of money every year. That year, the surplus was $152 million. It was put aside, as it always was in the past. The Liberal government was accumulating moneys that the Conservative government now spends the way we all know.

Mr. Speaker, the hon. member for St. Mary, like many others, referred quite often to the last Liberal convention. As you know, the convention adopted a resolution to the same effect as this one.

It seems that this Liberal convention which drew so much attention in Canada, has given some concern to our hon. friends of the government. The evidence is that they often refer to it.

The hon. member for Quebec West (Mr. Bissonnette), whose experience and sincerity we respect, said he was in favour of this resolution. He even wished it was more generous. May I remind the hon. member that he is a member of a government with the strongest parliamentary majority ever since confederation. During his speech, the Minister of National Health and Welfare (Mr. Monteith) was in his seat. May I ask him why this project is not carried out if he thinks it is so good? Why does he not try to awake his minister who should have expressed his views on this resolution? Why not awake him and have him recognize the merit of this resolution?

I notice that the Minister of National Health and Welfare is not in his seat at this moment.

(Text):

I wish to tell the minister that I observe he is keeping a very troubled silence. I think when such a proposal is under discussion the hon. gentleman should let us know where the government stands instead of sitting idly by while this measure is talked out by Conservative members. If the minister evades his responsibility, keeps his silence and does not tell us the position of the government before the expiration of our time at 10 o'clock this evening, we will let the

Canadian people decide in due time what they think of this silence and evasion of responsibility.

(Translation):

Mr. Speaker, a few minutes ago, the hon. member for Quebec West also dealt with social security projects. He said that on occasions his party might propose several projects of this kind to the people.

May I point out to him that if the hospital insurance act is now in force in the province of Quebec, while it had been refused by his former provincial leader Mr. Duplessis, it is due to a Liberal premier.

It is appropriate also to reply to hon. Conservative members today who try to pose as advocates of social security, that in this very house, no later than in 1944, their former political leaders opposed the adoption of certain social measures, such as family allowances.

An hon. Member: That is true.

Mr. Deschatelets: Mr. Speaker there is no doubt that during the last 25 years, considerable progress has been achieved in the struggle against misery and insecurity. Those things which seemed a little bit ridiculous and impossible at that time have been achieved since.

But there is still too much misery and distress around us not to give consideration to extending further the scope of social security.

When we deal with social security, I believe we should set our mind on providing a minimum standard of living to our citizens.

Today, with regard to this resolution concerning 60-year old single women and widows, I suggest—like the hon. member for Fort William (Mr. Badanai), whom I congratulate for his action which in fact gives effect to a resolution adopted at the recent Liberal convention—that such protection is needed by that group of citizens.

I am particularly interested in seeing it adopted.

I know that in my own constituency it will bring relief and a greater measure of welfare to a class of citizens who so far have not enjoyed any government protection.

I would be remiss in failing to mention the fact that in the province of Quebec, during the next session—there was something in the newspapers about this legislation—measures will be introduced to provide more help for unmarried women and widows of 60 or more.

I wish at this point to commend and give credit to the premier of the province of Quebec who has so much to do because very little has been done so far in that province. He tackled his important task splendidly and with great energy.

Mr. Speaker, the principle of this resolution commends itself to the hon. members and I hope the government will tell us before the end of this sitting whether it supports the principle and whether it is prepared to help that class of unmarried women and widows.

I sincerely hope that the minister who was here a few moments ago will break his silence and let us know where he stands.

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I did not intend to speak tonight. But listening to the Liberal members, one might be led to believe that they alone are responsible for whatever good there is in the field of protection, etc.—

Mr. Denis: Hear, hear.

Mr. Ricard: Mr. Speaker, it is obvious that the Liberal members are a bit fidgety. When they calm down, perhaps they will be able to listen more placidly to what we have to tell them.

As you know, Mr. Speaker, the present Conservative government has nothing to learn, in the field of social security, from the Liberals who ran the country for years and were finally driven out of office on account of their silence in the house—there are still a few of them left—and on account of their lack of action.

Mr. Speaker, I should now like to take the 1957 campaign, the Liberals claimed it was impossible to increase the level of old age security pensions because it would jeopardize the economy of this country and because it would be dangerous to pass such a measure. Today, when there is nothing they can do, they want us to believe that if they returned to power, old age security pensions, pensions for needy mothers and all kinds of pensions would be doubled and even tripled if necessary.

But hon. members opposite need not get excited, whenever old age pensions and pensions for the blind and widows are raised, they will again be raised by a Conservative government.

Mr. Speaker, I should now like to take a few minutes of the time of this house to examine certain facts. In 1956-57, under a Liberal government, the country paid out

$379 million in old age security pensions. No doubt you know that under the present Conservative government, we pay out to older people the amount of $575 million a year. I therefore ask Liberal members who, when they were in power, did nothing but make long-winded speeches, to explain the increase granted under a Conservative government. As it would take them a little too long to find the answer to this mathematical problem, I shall tell them that we raised old age pensions by as much as 51 per cent.

Mr. Speaker, we Conservatives do not say: We shall do this or that. On the contrary, we raised the level of pensions and when circumstances allow, we shall raise them again; the Conservative government will be the first to propose such a move. Again I say we have no lesson to take from people who did nothing for 21 years and just let things go their merry way. We are moving forward and shall continue in that direction.

Referring to social security payments, we find that our Liberal friends have paid out $1.3 billion in the year 1956-57—

Mr. Benidickson: I beg your pardon?

Mr. Ricard: $1.3 billion. Under a Conservative government, in 1959-60, $2 billion were paid out.

It is easy for the Liberals today to promise something, when they know in advance that they will not have to fulfil their promises.

You, Liberals, could very well promise the moon, and that would not make things any more difficult for you, since you will not be required to fulfil your promises. Just go ahead, take the floor one after the other and try to make yourselves a little political capital.

Mr. Boulanger: Mr. Speaker, could the hon. member explain the difference between one million and one billion?

Mr. Ricard: Mr. Speaker, I recall that a while ago, during a certain trial, a certain gentleman was very much confused between millions and billions. So I would not like to follow the example of that gentleman, and I will limit myself to my own speech, without having anything whispered to me by the hon. member for Drummond-Arthabaska. Besides, I think it would be to his own interest to learn the difference between one billion and one million, for he could then reply himself to that question.

Mr. Speaker, were I sure not be called to order, I would recall that it was under a Conservative government that taxes were cut. That is our way of showing how we keep close to the people.

That is, Mr. Speaker, a fact that everyone knows. The Liberals themselves have recognized it, because they explained their defeat both in 1957 and in 1958, by saying they had stood too far away from the people. They are still very much aloof from the people, and as time goes, they will stand more and more aloof, while we are going to propose constructive measures which will be to the people's benefit.

Mr. Speaker, as I was listening a moment ago to the hon. member for Gatineau (Mr. Leduc), I thought for a while that he was going to propose to the house that 55 year-old people be granted family allowances and that those same persons also get the old age security pension. If he had carried on in that direction, I think he would have said so.

His remarks reminded me of an editorial published in *Le Devoir*, entitled: "Once a drunkard, always a drunkard".

Such an attitude very well shows that while listening to Liberals' speeches, we should always bear in mind that article of *Le Devoir*: "Once a drunkard, always a drunkard". This leads us to think, to ponder those words of our Liberal friends, and to remember that we must take them, as is often said, if my memory serves me right, "with a grain of salt".

Well, hon. members of the opposition, just go on dreaming; that suits you very well. As for us, our deeds speak for themselves.

(Text):

Mr. Benidickson: Will the hon. member for whom I have great regard permit a question?

(Translation):

I regret that my French is not too good—

(Text):

My question is, will the hon. member relate the increase of 33⅓ per cent in the contributions to old age security payments and increases up to 55 per cent in payments by employees under the unemployment insurance fund to the remarks he has just made.

Mr. Ricard: In my remarks, Mr. Speaker, I did not make any reference to old age security but to old age pensions.

Mr. Benidickson: In English, the old age security fund is the only fund that is entirely

within the jurisdiction of the federal government. Is it not a fact that the present government has increased the contributions of those who might benefit by up to 33⅓ per cent in the case of old age security and up to 55 per cent in the case of contributors to the unemployment insurance fund?

Mr. Ricard: These two things are different, Mr. Speaker. I do not think we live in a world where we can hope to have everything for nothing. We have to pay somehow. This is what is happening in the province of Quebec right now.

(Translation):

Mr. Azellus Denis (St. Denis): Mr. Speaker, I did not have the misfortune of hearing the remarks of the distinguished member for St. Mary (Mr. Valade), but I was unfortunate enough to hear the speech made by the hon. member for St. Hyacinthe-Bagot (Mr. Ricard).

As usual, the hon. member accused others of being nervous but, as you may have noticed yourself, Mr. Speaker, he was not exactly calm himself. He was so flustered, that I believe he made a slight departure from the truth when bringing forward a great many arguments to prove that social legislation had been introduced by the Conservative party. Needless to recall, Mr. Speaker, that all social security legislation passed in this country was enacted under Liberal administration. Family allowances, for instance, were introduced by a Liberal government, and that in spite of every objection raised by our friends opposite, in spite of the objections of their party leader, Colonel Drew, who said that family allowances were a baby bonus for the province of Quebec.

Mr. Pigeon: The hon. member is straying from the resolution.

Mr. Denis: Mr. Speaker, I also forgot to tell you that I had the misfortune of hearing the speech of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). He preceded the hon. member for Quebec West (Mr. Bissonnette), I think. I noticed that those two hon. members were in every way like their ministers, which is to say that they contradicted each other within a period of two minutes. One of them said that it was difficult to pass that resolution, for where would we find the money, how were we to finance that new social legislation? And, immediately afterwards, the other hon. member, belonging to the same party, told us: "I am in favour of the legislation, but you are not going far enough, you are not generous enough", at least, if I correctly understood the hon. members, therefore, within two minutes, those two hon. members contradicted each other,

just like their ministers. As a matter of fact, the press is full of their contradictory statements.

Mr. Asselin: Mr. Speaker, the hon. member said that the ministers contradicted each other. Could he prove his statement by quoting those contradictions?

Mr. Deputy Speaker: Order. When the hon. member for Charlevoix rose, I thought he wanted to tell the house that the remarks made by the hon. member for St. Denis were not related to this resolution. Therefore I would ask the hon. member not to answer that question but to come back to the subject matter of this debate.

Mr. Denis: Mr. Speaker, then you agree with me that the hon. member's question was not in order; but so was the answer I was about to give.

Mr. Deputy Speaker: The hon. member brought about that question by straying from the subject matter of the debate.

Mr. Denis: Unfortunately, I listened carefully when the hon. member for St. Hyacinthe-Bagot spoke. He said that old age pensions had been increased by 50 per cent. We all know that these pensions were raised from $46 to $55. He claims that $9 represents a 50 per cent increase. The hon. member for Kenora-Rainy River (Mr. Benidickson) was right when he asked the hon. member for St. Hyacinthe what school he attended and if he knew how to count.

The hon. member for St. Hyacinthe, the hon. member for Joliette-L'Assomption-Montcalm and the hon. member for Quebec West are three government members and from what they say it would be the responsibility of the opposition to pass legislation. The first and second members tell us that it will cost too much and the third one takes us to task saying that it is not sufficient. It is not surprising that old age pensions should have doubled, Mr. Speaker. To live under a Conservative administration makes us grow old. There are now many more older people than there were before 1956.

An hon. Member: There are not only older people, there are those who are off their head.

Mr. Valade: Mr. Speaker, on a point of order. The hon. member did not address himself to the resolution from the beginning of his remarks. He criticized the hon. member for Charlevoix and the hon. member for St. Hyacinthe. He addressed himself to his supporters. I submit that he should tell us what he thinks about the resolution before us.

Mr. Denis: Mr. Speaker, it is the only way for the hon. member to get a bit of personal publicity. Perhaps it is not the correct way, but it is his only way.

I refer to the resolution and to pensions such as they are. At present, they are granted at the age of 65 in case of need and at 70 to everyone. Under this resolution, it is intended to add widows and unmarried women 60 years old.

I can understand why that resolution is not to their liking, because since a Liberal government was elected in Quebec, the same resolution has become law—at least it will become so in a few weeks—in the beautiful province of Quebec. Yet, their friends were in power for 14 years and did nothing in that connection.

When the hon. member for Quebec West talks about all the hardships he saw as a doctor, I know he is telling the truth; I believe he is telling the truth. I know he sees hardships everywhere. He knows that hardships exist especially in large families. That is why he wanted the resolution to be more generous and not only limited to widows of 60 years, but to those of 40, 35 and even 30 years. But the hon. member for Joliette-L'Assomption-Montcalm is against that, because he does not know where the money will come from.

Mr. Pigeon: Mr. Speaker, on a point of order. The hon. member for St. Denis claims that I said things in this house which I never said.

Mr. Denis: I had told you so, Mr. Speaker, he is exactly like the members of the cabinet. He denies today what he said yesterday. Every time a minister makes a statement in the house or outside the house, newspapermen always seem to distort their words, and they take the floor to say they never said such a thing, that they have been misinterpreted, that statements are ascribed to them which they never made.

I have never seen such unlucky ministers. Either they talk through their hats, or newspapermen are not what they used to be.

An hon. Member: You are seeing yourself in a mirror.

Mr. Denis: Which means that the hon. member for Joliette-L'Assomption-Montcalm and the hon. member for Quebec West, before making any statement, rather than contradicting themselves, should at least consult each other before hand. As regards the ministers, they have a cabinet where they all meet; they could memorize their statements to avoid mistakes. As for the others, I excuse them somewhat, because they are not sitting on the same side of the house; they have a different outlook and do not go around with the same friends. Just the same, they have good friends on both sides. So, before taking the floor on any resolution, I think that members of the same party should agree to say the same thing. It is true that in the past few years, ministers have not been too consistent with one another in that connection. When some of them say yes, the others say no. Besides, I can tell from the answer given by the hon. member for La Malbaie.

Mr. Asselin: Mr. Speaker, on a point of order. I am the member for Charlevoix and not the member for La Malbaie as stated by my hon. friend opposite.

An hon. Member: He is so seldom in the house that he does not know.

Mr. Denis: Excuse me, and I hope that the population of La Malbaie will not be offended by the interjection of the hon. member for Charlevoix. In fact, I wonder whether I would not get more votes than he would in that riding.

Mr. Asselin: Just come and see.

Mr. Denis: At all events, I would be pleased to go there unless you decide first to quit politics.

Mr. Asselin: Oh, no.

Mr. Denis: So, I heartily support this resolution and, as the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) did, I ask the house to endorse it.

(Text):

Mr. Monteith (Perth): You do not agree with the hon. member for Quebec West (Mr. Bissonnette) though.

(Translation):

Mr. Denis: I would like to ask the hon. minister whether he has done all he could to help the people who are so much in need of help. I believe he did what he could but, unfortunately, like the others, he is a member of a bad government and he will not have time to pass this resolution because it is the next Liberal government which will do so.

When the hon. member for St. Hyacinthe (Mr. Ricard) said that we were far from the people, I wonder whether he recalled the election in Labelle and the results of the by-elections in Russell and Niagara.

Mr. Valade: Mr. Speaker, for the last few minutes, the hon. member for St. Denis (Mr. Denis) has been dealing with anything but the resolution before the house.

Mr. Denis: Mr. Speaker, look who is inquiring about the resolution. He knows much more about it than I do. He dealt with it a few minutes ago.

I will however tell him that it is on the order paper for Monday February 6, 1961, page 4. Does the hon. member wish me to read it?

Mr. Valade: You should read it.

Mr. Denis: Yes, I should perhaps read it to him, but I think he is acquainted with it. He is such a well informed person that he knows the Liberal party is preparing to take similar action in the province of Quebec and that does not suit him.

Let me say in closing—

(Text):

Mr. Monteith (Perth): Mr. Speaker, I gather that the Liberal party in Quebec is following the lead of the hon. member for Quebec West.

(Translation):

Mr. Denis: I am glad that with our remarks, Mr. Speaker, we succeeded in making the Minister of National Health and Welfare (Mr. Monteith) rise. It is probably his only contribution to the house. Well, since his department is concerned, I wonder if he knows what it is for a 60-year old widow to be penniless; I wonder if he knows what it is for a single woman to be without money and unable to earn a living, if he realizes the difficulty she might have? If he does not know, he should contact his colleague for Quebec West who is a doctor and who is much closer to the people than the minister.

I am sure that the Minister of National Health and Welfare after a consultation with the hon. member for Quebec West, would know much more and would welcome heartily the proposal of the hon. member for Fort William.

So I ask the minister to rise and tell us if he is in favour of this resolution; he might also tell us whether he expects to introduce a bill in the near future to do justice to those people in urgent need, to those widows and unmarried women of 60 years of age.

Mr. Valade: May I ask a question of the hon. member?

Mr. Denis: Please do.

Mr. Valade: Could he tell me what he thinks of this resolution?

(Text):

Mr. Benidickson: Mr. Speaker, I was rising to ask a question of the hon. member for St. Denis who has just concluded his remarks.

[Mr. Valade.]

Mr. Jones: On a point of order, Mr. Speaker—

Mr. Deputy Speaker: Order. I am sorry to stop the hon. member for Kenora-Rainy River but the Chair recognizes the parliamentary secretary to the Minister of Veterans Affairs.

Mr. H. F. Jones (Parliamentary Secretary to the Minister of Veteran Affairs): Mr. Speaker, tonight we have heard from the hon. member for Gatineau (Mr. Leduc) and the hon. member for St. Denis (Mr. Denis). They have talked a good deal about the new proposal in the province of Quebec. Perhaps we should remind them of a few of the facts of life. I wonder if they realize that the federal government is bearing a share of the cost of these benefits about which they have been talking through the medium of the federal unemployment assistance legislation. If I have the opportunity I intend to review some of the legislation that exists in other parts of this country and then hon. members will see that these proposals they have made tonight are ones for which we all have sympathy. We all want to help the people who are in need, and the Conservatives are especially desirous of helping those who are in need.

I looked at this resolution and found that it reads:

> That, in the opinion of this house, the government should consider the advisability of extending old age assistance to unmarried women and widows of 60 years of age.

Mr. Martin (Timmins): Would the hon. member permit a question?

Mr. Jones: Would the hon. member mind? I have only about five minutes in which to speak.

Mr. Benidickson: You have ten minutes, but I think you are going to talk this resolution out.

Mr. Jones: As I have pointed out, the resolution makes no mention at all of one of the very seriously disabled groups, one that is well known to every person who has ever had anything to do with social welfare problems —I refer to the deserted wives. What about a deserted wife of 60 or 65 years of age? Why does the hon. member for Fort William (Mr. Badanai) not include her?

Mr. Peters: Why don't you amend the resolution to cover them?

Mr. Jones: I am sure everyone will agree with the real intention of the hon. member

for Fort William, and will agree that he has kindly intentions. I think that all members will agree that the question is whether or not the action suggested would, in fact, improve the situation in any way. There is already in existence a network of programs which meet the objectives toward which this particular proposal is directed. I think that an examination of some of these programs will substantiate this statement. I intend, if I can, to cover each one in the brief time at my disposal.

First of all, I want to say that those who have been very active in social welfare work over the years feel very strongly that the administrative machinery providing social aid should remain as flexible as possible. This flexibility has been provided by the various types of legislation, both provincial and federal, which are already on the books. I am not here to say that the legislation which is already on the books goes far enough. Certainly, improvements can be made. However, when we come to look at the resolution perhaps we will have to take into account some of these other programs.

The programs that are in existence already cover such things as old age assistance, blind allowances, disability allowances and the federal unemployment assistance act. The last of these measures is designed to give assistance to the provinces on these very points referred to in the resolution. This act has been amended since we came into office and I should like to remind my Liberal friends that it is a particularly progressive piece of legislation which helps the provinces and the municipalities carry out this essential work of assistance to those in need, no matter what their age may be, no matter whether they are married or unmarried or whether they are widows. When you are dealing with social problems, surely need is the criterion. We must look after those in need first.

Mr. Martin (Timmins): Have you not got a big enough majority?

Mr. Benidickson: They are using it now.

Mr. Jones: The federal government reimburses the provinces for the payment made within the existing provincial framework of assistance. The scale on which the aid is given is determined by the provinces themselves. It is the provinces that determine the amount of aid, how it shall be given and to whom it shall be given.

I should remind hon. members that today Canadians throughout all the ten provinces benefit from legislation which the Conservative government brought into effect improving the former unemployment assistance act. I should like to turn to some of the assistance programs that exist in the provinces to show what has already been done and what is already available. I should like to point out, very rapidly, that in each province there is now assistance for women of 60 or over who qualify for it on the basis of need.

Before we go any further with this matter of providing aid we will have to discuss the situation with the provinces and get their concurrence. Flexibility has been the demand of the provinces because the provinces have jurisdictional rights over this particular form of aid. The provinces demand that they shall have the right to determine to whom these funds shall go and how much shall go to each person in the various categories. The provinces are the ones that have this right and they do not intend to have their powers usurped by a resolution proposed by the hon. member for Fort William or anybody else.

I should like to mention some of the provisions that exist in the province of Ontario. Women of 60 years of age and over may qualify for general assistance or an incapacitation allowance up to $60 a month under the general welfare assistance act. This assistance is administered by the municipality and rates are in accordance with the scale set by the province. The province reimburses the municipality for 80 per cent of the amount of assistance given. The rate of general assistance for a single person living alone is $48.50 for food, clothing, household sundries, fuel allowance for cooking with electricity and shelter. Extra allowance is made for special diets, fuel or shelter under special circumstances. This is an outline of the Ontario program. The program in Manitoba is slightly different and in Saskatchewan slightly different again. However, I point out that each of the provinces insist that they shall have the right to say how much and to whom these payments shall go.

BUSINESS OF THE HOUSE

Mr. Benidickson: May I ask the leader on the government side whether the business of the house will be the same for tomorrow as was announced on Friday.

Mr. Monteith (Perth): In the absence of the house leader I should like to announce that it will be as stated previously. Tomorrow

we will start with item No. 9 on today's order paper, which is the resolution concerning the Pension Act. If this is concluded we will resume the debate on the budget resolutions. Wednesday we will take budget resolutions and Thursday second reading of the bill to amend the Pension Act.

Mr. Benidickson: Regardless of what happens, the Pension Act will be the first item of business on Thursday if it has passed the resolution stage?

Mr. Monteith (Perth): Second reading, yes.

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

ANSWERS TO QUESTIONS

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

SERVICES OF JOURNALISTS, C.B.C.

Question No. 67—**Mr. Fisher:**

1. Did the Canadian Broadcasting Corporation use the services during 1960 of any of the following journalists: Pierre Berton, John Bird, Charles Templeton, Robert Weaver, Robert Fulford, Gordon Sinclair, Nathan Cohen, Ron Haggart, Mark Gayn, Peter Dempson, Ed Mahoney, Margaret Aitken, Mavor Moore, Frank Tumpane, Frank Drea, Thomas Richard Henry?

2. If so, on how many occasions for each, and at what remuneration?

Answer by: **Hon. George C. Nowlan (Minister of National Revenue):**

I am informed by the Canadian Broadcasting Corporation as follows:

1. Twelve of the 16 persons named were engaged during 1960 as participants receiving a fee. The exceptions were Frank Drea and Thomas Richard Henry, who were not used. Miss Margaret Aitken appeared in a political broadcast; Mr. Robert Weaver, a C.B.C. employee, in an interview program. Neither received a fee.

2. The following are the number of engagements for C.B.C. programs during 1960 of the 12 remaining. Appearances referred to were on the television network, or locally on CBLT Toronto or CBOT Ottawa; or on the trans-Canada radio network, the dominion network, or locally on CBL, or CJBC Toronto or on CBO Ottawa. Length of contribution ranged from one minute to entire programs.

(a) Engagements for programs where contributor appeared as commentator, as discussion participant in opinion programming, as interview subject, or as speaker in general talks series:

Pierre Berton, 53; John Bird, 7; Nathan Cohen, 3; Peter Dempson, 16; Robert Fulford, 24; Mark Gayn, 29; Ron Haggart, 5; Ed Mahoney, 22; Mavor Moore, 13; Gordon Sinclair, 2; Charles Templeton, 3; Frank Tumpane, 55.

(b) Number of appearances as reporter in news or weather program:

John Bird, 2; Robert Fulford, 2; Mark Gayn, 3; Ron Haggart, 1; Gordon Sinclair—weather 143.

(c) Number of appearances as actor, panelist in light entertainment programs, interviewer, or master of ceremonies:

Pierre Berton, 46; John Bird, 1; Nathan Cohen, 49; Peter Dempson, 2; Mavor Moore, 37; Gordon Sinclair, 40; Charles Templeton, 47.

It is not considered to be in the public interest to disclose amounts of payments to individuals, as it would affect the position of the corporation in a competitive business in negotiating for services.

MILITARY COLLEGES—FRENCH AND ENGLISH SPEAKING CADETS

Question No. 73—**Mr. Argue:**

1. In each year since the opening of the College Militaire Royal de Saint-Jean, what proportion of cadets entering the first year have been (a) French speaking; (b) English speaking?

2. In each year since the opening of the College Militaire Royal de Saint-Jean, what proportion of cadets graduating from the second year and entering the Royal Military College, Kingston, Ontario, have been (a) French speaking; (b) English speaking?

3. In each year, what proportion of the cadets mentioned in question 2 and passing successfully into the fourth year at R.M.C. have been (a) French speaking; (b) English speaking?

4. In each year, what proportion of the cadets mentioned in question 2 and graduating from the Royal Military College on completion of the fourth year have been (a) French speaking; (b) English speaking?

Answer by: **Hon. Pierre Sevigny (Associate Minister of National Defence):**

1. In each year since College Militaire Royal de Saint-Jean opened in September, 1952, the proportion of French speaking and English speaking cadets who entered the preparatory (initial) year was:

Year	French speaking	English speaking
	%	%
1952	62.7	37.3
1953	57.9	42.1
1954	55.9	44.1
1955	52.6	47.4
1956	55.4	44.6
1957	48.3	51.7
1958	55.6	44.4
1959	60.1	39.9
1960	50	50

2. In each year, the proportion of French speaking and English speaking second year graduates from College Militaire Royal de Saint-Jean who entered the third year at the Royal Military College of Canada, Kingston, Ontario, was:

Year	French speaking	English speaking
	%	%
1955	46.6	53.4
1956	51	49
1957	54.1	45.9
1958	52.9	47.1
1959	45.9	54.1
1960	46.6	53.4

N.B.—The first of the College Militaire Royal de Saint-Jean second year graduates entered the third year at the Royal Military College in 1955.

Questions

3. In each year, the proportion of French speaking and English speaking cadets mentioned in question 2 who passed successfully into the fourth year at the Royal Military College was:

Year	French speaking	English speaking
	%	%
1956	33.3	66.7
1957	47.3	52.7
1958	51.3	48.7
1959	42.8	57.2
1960	41	59

N.B.—The College Militaire Royal de Saint-Jean second year graduates who first entered the third year at the Royal Military College in 1955, subsequently entered the fourth year in 1956.

4. In each year, the proportion of French speaking and English speaking cadets mentioned in question 2 who graduated from the Royal Military College on completion of the fourth year was:

Year	French speaking	English speaking
	%	%
1957	33.3	66.7
1958	47.3	52.7
1959	47	53
1960	43.7	56.3

N.B.—The cadets of the first entry into College Militaire Royal de Saint-Jean in September, 1952, graduated from the fourth year at the Royal Military College in May 1957.

ST. LAWRENCE SEAWAY AUTHORITY—
ARBITRATION BOARD

Question No. 76—**Mr. Argue:**

1. Was an arbitration board appointed to inquire into claims made by contractors against the St. Lawrence seaway authority?
2. If so, by whom was it appointed, on what date, who are its members, what claims have been investigated?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

1. The answer is in the negative.
2. N.A.

ST. LAWRENCE SEAWAY AUTHORITY—
EXPENDITURES AND INDEBTEDNESS

Question No. 78—**Mr. Argue:**

1. What is the total amount of money which the St. Lawrence seaway authority has (a) borrowed; (b) paid on accounts, from the beginning of construction work until January 1, 1961?
2. What is the outstanding indebtedness of the St. Lawrence seaway authority as of January 1, 1961, and to whom is this owed?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The St. Lawrence seaway authority advises as follows:

The current position is—

1. (a) as of January 1, 1961, $306,800,000, including temporary loans made during 1954/55 of $1,300,000, and repaid in 1955/56.
(b) $304,295,842.10, as of November 30, 1960.

2. Borrowed, $305,500,000; unpaid interest, $29,075,700; the Minister of Finance.

POST OFFICE CARETAKER, GRIMSBY, ONT.

Question No. 83—**Mr. Argue:**

1. Has a caretaker recently been appointed by the civil service commission in the post office in Grimsby, Ontario?
2. If so, who was appointed to fill this position?
3. Does this appointee have any other employment apart from that of caretaker?
4. If so, what are these employments?
5. Were there other applicants for the position who were unemployed?
6. If so, what are their names and for how long have they been unemployed?

Answer by: **Hon. Noel Dorion (Secretary of State):**

1. Yes.
2. Mr. Harold Andrew Clausen.
3, 4, 5 and 6. Not known to the civil service commission.

HOUSE OF COMMONS

Tuesday, February 7, 1961

The house met at 2.30 p.m.

(Translation):

REPRESENTATION ACT

AMENDMENT TO CHANGE NAME OF CONSTITUENCY

Mr. Martial Asselin (Charlevoix) moved for leave to introduce Bill No. C-65, to amend the Representation Act.

Some hon. Members: Explain.

Mr. Asselin: Mr. Speaker, this bill seeks to change the name of the Charlevoix constituency into that of Charlevoix-Montmorency.

Motion agreed to and bill read the first time.

(Text):

BUSINESS OF THE HOUSE

MONETARY POLICY—REQUEST FOR REFERENCE TO BANKING COMMITTEE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the government would consider having arrangements made so that the question of monetary policy could be referred this session to the standing committee on banking and commerce for examination and report.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this question was dealt with on an earlier occasion. I believe the Minister of Finance said some time ago that the report by Mr. Coyne, governor of the Bank of Canada, would not be available until March.

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the decline in the consumer price index and the continuing rise in unemployment, will the Prime Minister tell the house whether it is the view of the government that monetary policy should be directed primarily to fighting unemployment rather than inflation?

Mr. Diefenbaker: This is a question on policy, Mr. Speaker, and is very improper.

Mr. Martin (Essex East): Mr. Speaker, the fact that the Prime Minister says it is improper likely makes it proper, but that is a matter for you to decide.

Mr. Speaker: The hon. member is asking the Prime Minister to express a view on a matter of policy, and if exception is taken by the government or by the Speaker questions on policy are not normally answered.

TRADE

PROPOSED U.S. RESTRICTIONS ON TOURIST IMPORTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): In the absence of the Minister of Trade and Commerce perhaps I can direct this question to the Prime Minister. Will the Prime Minister comment on President Kennedy's suggestion that United States tourists will be able to bring back only $100 worth of goods from abroad duty free? Will the Prime Minister say whether the Canadian government has made any representations to Washington in protest against this move?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in so far as the first portion of the question is concerned, it is naturally not considered proper for the parliament of one country to pass observations on the policies of another, and that applies also to anyone who is a member of the government of one country in dealing with matters particularly within the jurisdiction of the other country.

As to the second portion of the question, naturally the matter is receiving continued attention, as do all the changes in economic or other relations between our countries.

Mr. Argue: A supplementary question. Will the Prime Minister say whether any representations have been made to the government of the United States following the consideration to which he has referred?

Mr. Diefenbaker: Mr. Speaker, I do not think it would be helpful at this time to go further than I have already gone.

REPORTED IMPORTS OF VEGETABLES FROM CUBA

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. As I am speaking there are 20,000 twenty-pound lugs of Cuban tomatoes on their way to this country by truck from Miami and, as is also reported in the newspapers, a shipload of tomatoes, cucumbers, etc., is due to

arrive at an east coast port. Can the minister tell us whether this is a fact? If it is, what is the government doing to protect the hothouse growers of Ontario?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I will be glad to take this question as notice and look into the matter.

Hon. Paul Martin (Essex East): I should like to ask a supplementary question. Has the Minister of Agriculture not been advised already that this action is contrary to section 56 of the Fruit, Vegetables and Honey Act?

Mr. Hamilton (Qu'Appelle): Mr. Speaker, I know now where these questions originate.

DRUGS

ST. VINCENT DE PAUL PENITENTIARY—INVESTIGATION INTO USE OF BARBITURATES

On the orders of the day:

Mr. L. D. Crestohl (Cartier): Mr. Speaker, I should like to address a question to the Minister of Justice, but in his absence perhaps the parliamentary secretary may be able to deal with it. Will the minister report to the house on any inquiry being held in St. Vincent de Paul penitentiary on the use of barbiturates by inmates?

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): There is a full investigation under way into this whole matter, and a report will be presented to the minister. I am certain that it then can be brought forward to the house at the same time.

BARBITURATES—REQUEST FOR RESTRICTIVE MEASURES

On the orders of the day:

Mr. Romuald Bourque (Outremont-St. Jean): Mr. Speaker, in 1957 I brought up the question of goof balls—

Some hon. Members: Oh, oh.

Mr. Bourque: —and was laughed at as I am laughed at today. At that time I was denounced, and it was stated there was no such a problem as the problem of goof balls. In view of all the murders that are being committed and the riots that are taking place at the present time in all the jails of Canada, I should like to ask the minister whether he intends to take any measures to curb this evil and place this drug under the narcotic drugs act.

Hon. J. W. Monteith (Minister of National Health and Welfare): Naturally I do not think I have anything to say with regard to the hon. member's preamble, but we have been making a special study of this particular barbiturate problem.

[*Later:*]

Mr. Bourque: A supplementary question. May I ask the Minister of National Health and Welfare, who has just stated that his department has made a considerable study of the goof ball problem—

Some hon. Members: Oh, oh.

Mr. Bourque: Hon. members seem to think it is very funny when we talk about goof balls—

Mr. Speaker: Order. If the hon. member has a supplementary question to clarify—would the hon. member resume his seat? The hon. member received what appeared to be a clear answer to his question, but if he has a supplementary question to ask I would, of course, give him the floor, though not to make a speech on the subject.

Mr. Bourque: I wish only to ask the minister if he would be good enough to table the studies which have been made in relation to the goof ball problem.

Mr. Monteith (Perth): At the moment, Mr. Speaker, we are in the midst of an intensive study of this particular problem. In the very lengthy preamble to his earlier question the hon. member made several statements which tempt me to debate the matter, but I shall reserve my observations until the estimates of my department are under consideration.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might ask the hon. gentleman a supplementary question. Is this study a secret study?

Mr. Monteith (Perth): It is not completed.

FINANCE

INQUIRY AS TO PROTEST AGAINST DIVIDEND TAX

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to address a question to the Minister of Finance. Has the minister received a protest against the 15 per cent dividend tax from the director of the $100 million Anaconda development in northwestern Ontario, on which they have already spent $5 million? If so, have they indicated that they will suspend operations on the property, thereby displacing 100 men employed on the project?

Mr. Speaker: I raise the question with the hon. member whether this is not a matter that could more properly be dealt with on the resolutions which are to come before the

house, or are now before the house. It relates to fiscal policy and normally I have not admitted questions on fiscal policy on orders of the day. I would permit, I think, a question with respect to whether the minister has received the communication. If it were limited to that I think it would be in order.

Mr. Badanai: Will the minister indicate whether he has received such a protest?

Hon. Donald M. Fleming (Minister of Finance): I have received no communication in writing from this company that I am aware of.

HARBOURS

VANCOUVER—REPORTED COMPLAINT AS TO DOCKING FACILITIES

On the orders of the day:

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the statement made by Sir Colin Anderson, a director of the P. & O. line, as reported in the Vancouver press on February 3 and 4 on the occasion of the visit of the new P. & O. liner *Oriana,* to the effect that docking facilities in Vancouver are "among the poorest in the world", can the minister comment on this statement and indicate whether he will have the national harbours board investigate this condition?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have read the press comment on the visit of the *Oriana,* which appears to indicate that Sir Colin Anderson's statement was directed to criticism of the harbour facilities in general. We have assurance from Sir Colin that he was referring specifically to the passenger reception facilities on the particular pier at which the ship was docked, which incidentally is a privately owned facility.

Although it has not been requested to provide such accommodation, the national harbours board has been for some time interested in the possible provision of a deep sea passenger terminal in the port of Vancouver, and has approached local and Pacific coast shipping agents handling passengers with a view to modifying one of its existing piers for this purpose. Agents and owners have stated a preference for berthing their ships in a location where they may be readily observed and visited most conveniently by the largest number of people possible, and none of the existing board facilities meet these requirements.

It should be kept in mind that to date deep sea passenger traffic through the port of Vancouver numbers well under 20,000 passengers annually, a substantial number of whom arrive and depart on freighters and who consequently would not use a terminal created for the exclusive use of passengers. This circumstance imposes obvious and severe economic limitations on the construction of such a terminal. However, I can assure my hon. friend that this is a matter which is being given consideration by the Vancouver harbour planning committee.

TRANSPORT

SABLE ISLAND PONIES—ADOPTION BY PRINCE EDWARD ISLANDERS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, while I am on my feet I should like to answer a question asked of me last Wednesday by the hon. member for Kootenay West regarding requests received from Prince Edward Island for Sable island ponies. The generous and kind interest of Prince Edward Islanders had already been brought to my attention by the hon. member for Queens, and I want to assure the house that we are giving the matter of these ponies close and continuing attention.

I think it might be well to point out that the ponies are completely wild and would not become manageable as pets without long and patient training. Another factor to be kept in mind is that as there is no harbour or wharf at Sable island, and also because the ponies are not tame, safe removal of a few or indeed any number without injury would be costly and would require special skills. However, as I say, we are keeping the matter very much in mind.

DOMINION-PROVINCIAL CONFERENCE

TAX SHARING—REQUEST FOR STUDY BY PROVINCES OF FEDERAL PROPOSALS

On the orders of the day:

Mr. Maurice Bourget (Levis): I should like to direct a question to the Prime Minister. Does the government intend to comply with the request contained in a letter from the premier of Quebec to the Prime Minister that the federal proposals on tax sharing be sent to the provinces for study before the conference reconvenes?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I received a letter from the premier of Quebec along the lines suggested in the question. All I can say in that connection is that when a decision is made whether there should be an announcement of the terms or particulars in advance of the conference or whether the unveiling of the

proposals should take place at the conference itself, the house will be made aware of the decision.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Can the Prime Minister say how many premiers have already responded to his letter, and whether a definite date has yet been fixed for the conference?

Mr. Diefenbaker: I have not that information at the moment, but in general I think it can be said that those who have replied have been in favour of the February date.

Mr. Pickersgill: I wonder if I could ask a further question. Will the Prime Minister follow the usual custom and, at his convenience, table the correspondence in the house and have it put on *Hansard* as has been done formerly so there will be a continuous record of this matter?

Mr. Diefenbaker: When I have heard from all the provinces, consideration can be given to the hon. member's suggestion.

WATER RESOURCES

WATER POLLUTION—INQUIRY AS TO POSSIBLE CHANGE IN POLICY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to address a question to the Minister of Transport, and I thank him for his answer to my question respecting his cronies and their ponies.

In view of the fact that the Navigable Waters Protection Act prohibits the disposition of rubbish and other material in navigable waters, and in view of the fact that under section 22 of the act a proclamation has been issued exempting the Labrador Mining and Exploration Company Limited from the operation of section 20 of the said act, would the minister inform the house whether this proclamation represents any change in government policy with respect to the pollution of navigable waters in Canada?

Hon. Leon Balcer (Minister of Transport): It does not imply any change in policy.

COMBINES

INQUIRY AS TO INVESTIGATION OF ELECTRICAL COMPANIES

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): I should like to direct a question to the Acting Minister of Justice. In view of the fines levied on eight electrical companies in the United States for bid rigging and price fixing, will the minister tell the house whether any investigation is being made or is contemplated by the combines investigation branch into similar practices by the Canadian counterparts of these electrical companies?

Hon. W. J. Browne (Acting Minister of Justice): I will take this question as notice and give the member an answer at an early date.

PUBLIC WORKS

LAKEHEAD—INQUIRY AS TO DATE OF COMPLETION OF TERMINAL

On the orders of the day:

Mr. Hubert Badanai (Fort William): I should like to direct a question to the Minister of Public Works arising out of a letter which I received from the minister on February 2 relative to the stage 3 contract of the lakehead harbour terminal. Can the minister inform the house whether all stages of construction of the terminal will be completed in 1961?

Hon. D. J. Walker (Minister of Public Works): No, Mr. Speaker.

INQUIRY FOR RETURN

FEDERAL PAYMENTS TO SASKATCHEWAN, 1960

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to address a question to the Secretary of State. When will the answer to my starred question having to do with matters in the Department of Finance and made an order for return on January 18 last be tabled?

Hon. Noel Dorion (Secretary of State): I am sorry, but I did not hear the number.

Mr. McMillan: It was No. 57.

Mr. Dorion: I shall make inquiries and give an indication to the hon. member.

LABOUR CONDITIONS

SEAMEN'S UNION—INVESTIGATION INTO ALLEGED INTIMIDATION OR BEATINGS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Labour a question arising out of a speculative story in today's *Globe and Mail* about warfare amongst the unions. Has his department under study any information regarding alleged intimidation or beatings which took place in recent years relating to the activities of Mr. Hal Banks and the S.I.U. in the transportation field?

Hon. Michael Starr (Minister of Labour): No, Mr. Speaker.

MONCTON, N.B.—NUMBER OF UNPLACED APPLICANTS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wish to direct a question to the Minister of Labour, notice of which I sent him yesterday. The question is this. Will the minister give the house the number of unplaced applicants for the latest date for which computation has been made in the national employment offices for the region supervised by the Moncton regional office?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the hon. member gave me notice of this question yesterday and I am able to give this information. On January 26 the figure was 110,635; on January 28 of last year the figure was 108,482.

SPRINGHILL, N.S.—IMPLEMENTATION OF WINTER WORKS PROJECTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to direct a question to the Minister of Labour. In view of representations which I have received on behalf of the wives of 600 unemployed miners at Springhill, Nova Scotia, representations to which I should like to reply as soon as possible, is the minister in a position to give a report to the house on winter works projects planned or under way in this particular community?

Hon. Michael Starr (Minister of Labour): A similar question was asked last week, and I made the suggestion that if this were placed on the order paper we should endeavour to assemble the information required.

UNITED NATIONS

CONGO—REPORTED U.S. PLAN FOR PEACE

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to direct a question to the Secretary of State for External Affairs. Is Canada one of the countries that has been consulted by the United States with regard to its plan to bring peace in the Congo and preserve the integrity of the Congo, as announced by the Secretary of State for Foreign Affairs yesterday in Washington?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the government welcomes the United States initiative. The new policy contains a number of important elements which Canada has always believed were necessary to a solution of the crisis in the Congo. For example, it implies an attitude of impartiality in the internal political affairs of the Congo. This is the attitude which Canada has maintained from the outset of the crisis, consistent with Canadian membership on the secretary general's advisory committee for the Congo and our participation in the force. As the hon. member knows, Canada is one of the 18 nations represented on this Congo committee, all of them having substantial forces in the Congo.

It implies a willingness to face realistically the fact that there are a number of contending political elements in the Congo, each with a certain strength, which cannot simply be wished out of existence. In the Congo debate in the general assembly just before Christmas the Canadian spokesman, namely the hon. member for Oxford (Mr. Nesbitt), who is my parliamentary secretary, argued that no political solution was likely to be viable in the Congo which did not take these facts realistically into account.

The new United States policy will also presumably be an important factor in meeting the request which the secretary general once again made to the security council on February 1 for a clarification of his mandate. On this point also the parliamentary secretary, in defining Canada's Congo policy to the general assembly in December, pointed out that Canada believed the mandate should be properly defined and that member states could hardly complain at the way in which the secretary general carried out his responsibilities so long as the general assembly was unable itself to agree on what the role of the United Nations should be and left the task of interpretation to the secretary general.

There may now be grounds for hope that some of the limitations on past United Nations action in the Congo can be corrected. I sincerely trust that this will be the outcome of recent developments and the current security council debate. The Canadian government will continue to advocate and support all measures which are designed to strengthen the position of the secretary general and are consistent with a policy of strict impartiality in Congolese internal affairs.

In this way we believe United Nations influence in the Congo can effectively be brought to bear in order to assist the Congolese to resolve problems which are essentially their own.

Hon. L. B. Pearson (Leader of the Opposition): May I ask the minister whether members of the United Nations withdrawing their forces from the Congo cease to be members of the advisory committee.

Mr. Green: Mr. Speaker, to date I think the forces of only one member nation which is

also a member of the advisory committee have been withdrawn. I refer to the United Arab Republic. The whole of their forces as yet may not be out of the Congo, but I know the bulk of them have been removed. Whether that nation will continue as a member of the Congo committee I cannot say at the moment. I would doubt whether the U.A.R. would be qualified to continue as a member.

Mr. Martin (Essex East): I do not think the Secretary of State for External Affairs gave an answer to one part of my question, namely whether Canada had been consulted by the United States regarding this plan.

Mr. Green: We have been kept closely in touch with the attitude of the United States, and I expect to have a conference later today about this question.

EXTERNAL AFFAIRS

DISARMAMENT—INQUIRY AS TO "BAN THE BOMB" MOVEMENTS

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to ask the Prime Minister the following question. Does the Canadian government view with favour the efforts of the many so-called "ban the bomb" movements which exist in Canada?

Right Hon. J. G. Diefenbaker (Prime Minister): I do not know the significance of the question. I will say this; that the attitude of the Canadian government to the question of disarmament has been very definitely placed before the United Nations and also before people throughout this country by the Secretary of State for External Affairs and myself. We believe every effort must be made to attain disarmament under, of course, appropriate controls, so that all nations agreeing to disarmament will be subject to inspection and to the control that is incidental to inspection.

Any group of people who desire to obtain disarmament are naturally welcome to express their views, which are, of course, in line with the views of the government. We believe in disarmament and its attainment. Until it has been attained we also think it is realistic to realize this fact, that our defences must be maintained.

GRAIN

FEED MILL PURCHASES—REPRESENTATIONS BY FARM ORGANIZATIONS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to address a question to the Minister of Agriculture arising out of growing opposition to feed mills buying grain outside wheat board quotas, despite the minister's claim that this opposition comes from only a few organizations.

Has it been brought to the attention of the minister that the national farm union and the Saskatchewan federation of agriculture have requested by a resolution passed unanimously that the present policy be discontinued immediately?

Hon. Alvin Hamilton (Minister of Agriculture): Yes, it has been brought to my attention. I should like to repeat what I have said earlier in the house; that a good many of the farm organizations, outside a few union locals and so on, have been sending in resolutions in support of what we have done.

Mr. Argue: My question is, is the government considering the request of this important body of farm organizations and, if so, what action is being taken by the government? Perhaps I might try it this way. In view of these important representations made to the minister, have the minister and the government under consideration the discontinuation of this policy?

Mr. Hamilton (Qu'Appelle): One thing the government has under consideration is this; letting the people of western Canada know all the facts. I think when the people of western Canada know all the facts this pressure play on the part of two or three prairie farm organizations will dissipate and fall apart.

Mr. Argue: It is not the farm organizations that will fall apart.

IMMIGRATION

RADIO AND TELEVISION TECHNICIANS—REPORTED ADVERTISING IN U.K.

On the orders of the day:

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The hon. member for Bonavista-Twillingate inquired on February 2 with reference to advertisements appearing in British newspapers seeking radio and television technicians for employment in Canada. Reference was made to these in a news dispatch appearing in the *Telegram* of Tuesday, January 31. When I saw this news dispatch I immediately initiated inquiries of our London office requesting all available information as to the details of the advertisements reportedly appearing in the London *Daily Mail* and other newspapers.

We have not yet received full details on this matter from our London office, but I can assure the hon. member that the advertisements in question were not placed with the advance knowledge or approval of

this department. We have, of course, no means of controlling the placing of advertisements by private concerns in British newspapers.

When requests of this kind are received from employers in Canada our practice is to refer them to the national employment service, which endeavours first of all to fill the order from available applicants in Canada. Only if it is established that persons with the required qualifications are not available in Canada does the national employment service refer the order for completion to its overseas office in London.

Employers who do not follow this practice but who, instead, advertise directly in overseas newspapers can have no assurance that candidates recruited directly by them without clearance with the N.E.S. will be allowed to come forward to Canada. All such applications are dealt with in accordance with section 20(a) of the regulations, which provides that a British subject by birth or naturalization in the United Kingdom must first establish as a condition of his entry to Canada that he has sufficient means to maintain himself in Canada until he has secured employment therein. If the conditions laid down in the regulations are met the applicant is, of course, allowed to proceed.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might address a supplementary question to the Minister of Labour, and ask him whether to his knowledge there are any unplaced applicants in these particular categories to which the hon. lady has referred on the books of the employment service at the present time.

Hon. Michael Starr (Minister of Labour): I am unable to give an answer offhand, but if the hon. member wishes to specify the type of applicants to whom he is referring and put his question on the order paper I shall be able to get that information for him.

Mr. Pickersgill: On a point of order, this information has already been in *Hansard*, and the question was first raised nearly a week ago.

Mr. Starr: The question the hon. member asks certainly has not been on the order paper. If he is very interested in this matter he will probably put it on the order paper.

ST. LAWRENCE SEAWAY

STATEMENT ON REPORTED U.S. ORDER RESPECTING AID SHIPMENTS

On the orders of the day:

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, on Friday last the hon. member for Peterborough asked me a question concerning a ruling made by the international co-operation administration, which is a United States government agency that channels foreign aid and which ruled that effective February 1, freight will be paid only on aid cargoes moving in United States ships. I now have an answer to that question, which is as follows.

Under general United States legislation the international co-operation administration has been required to ship at least 50 per cent of the gross tonnage of commodities purchased under its programs on United States privately owned commercial vessels. By a recent order the United States international co-operation administration announced that ocean shipping costs of all commodities, materials and equipment procured from mutual security program funds shall be eligible for I.C.A. financing only if transported on United States flag vessels except—and this exception, I think, is important—where foreign flag vessels are required to ensure timely delivery of merchandise and provided that such exceptions receive prior approval from the international co-operation administration in Washington.

It is hoped that these exemptions will go some way to meet the concern of the great lakes ports. I understand that the international co-operation administration intends to hold hearings on this order and to entertain all reasonable requests for exemptions on contracts that would be jeopardized by the new regulations.

The Canadian embassy in Washington is now exploring the situation which is still somewhat unclear. I shall report to the house further should this be warranted. I think the concern was that this might result in a decrease in shipping through the seaway in favour of shipping from the east coast ports of United States, but our belief is that this will not be the effect of the ruling. However, we shall be very glad to keep in touch with that development.

PENSION ACT

AMENDMENTS INCREASING PAYMENTS, PERMITTING APPEALS, ETC.

The house resumed, from Monday, December 12, 1960, consideration in committee of the following resolution—Mr. Churchill—Mr. Rea in the chair:

That it is expedient to bring in a measure to amend the Pension Act to provide for increases to disabled veterans and their dependents; to permit payment of supplementary pensions in certain cases; to permit appeals from decisions of the former board of pension commissioners; and to provide for certain further changes in connection with the administration of the act.

Mr. Weichel: Mr. Chairman, as a disabled veteran of the first great war, an honorary

member of the War Amputations of Canada, and one who has carried his disability for many years it gives me great satisfaction to take part in the discussion of this resolution. November 17, 1960 must have been a red letter day which stirred the hearts of disabled veterans and their dependents when hearing the speech from the throne in which our beloved Governor General included the following statement:

> Amendments to the Pension Act will be recommended which will include substantial increases in the pensions payable to veterans or their dependents.

Throughout the years the War Amputations of Canada, the Canadian Legion, the Army, Navy and Air Force association, the Royal Canadian Air Force association, the Polish legion, the naval veterans association and others have placed before the veterans affairs committee and our government amendments to the Pension Act and other worth-while legislation concerning their disabled comrades of world wars I and II and Korea. May I on behalf of these comrades express our thanks to the government, the veterans affairs committee, the Canadian pension commission and the Department of Veterans Affairs for their support in bringing about from time to time better conditions for those who gave so much at a time when their country was in urgent need of their devotion to duty.

It is a privilege for me to congratulate the former minister of veterans affairs, Hon. Alfred Brooks, on his appointment to the other place. This hon. gentleman throughout the years has been a real friend of all veterans, and his untiring efforts for the welfare of thousands of Canadians will long linger in our thoughts.

I understand that the total number of pensioners under the Pension Act as at December 31, 1959 was 185,536, as compared with 195,635 in 1950. This decrease is mainly due to the sad fact that world war I pensioners are steadily passing away. On the other hand the number of world war II pensioners has increased from 88,233 in 1947 to 122,296 in 1959, an increase of 34,063. It is interesting to note in regard to this group that the number of children in respect of whom additional pension is being paid is 176,409, an increase of 54,759 since 1947.

These figures were supplied by Mr. T. D. Anderson, chairman of the Canadian pension commission, to the veterans affairs committee on April 7, 1960. As these figures are placed before us we realize that in a few short years many of the disabled veterans of world war I will not be with us, and that time is also running out for many of our world war II and Korean war pensioners. At the amputations convention last year, tribute was paid to 130 pensioners who had died in the previous two years.

The people of Canada have been very sympathetic toward our veterans, especially the disabled. Canada's military performance in the two world wars and Korea is one of the chief reasons for the growth of her prestige and influence in world affairs. Canadian people realize that Canadians fought bravely and effectively in two wars and Korea, and that we had to fight these wars at such great cost. Part of this cost was paid by many in one grim payment, life itself. Others like myself and many with more serious disabilities are still paying in day by day instalments which will continue for the remainder of our lives.

The people of our country well understand the determination shown by our disabled veterans in obtaining and holding gainful employment despite their disabilities. We should, however, recognize that these people never know from day to day how long they will be able to continue working, particularly as they grow older and their disabilities become more difficult to bear. The courage of our veterans has never been questioned, be it in war, in daily routine or in recreation. Each year the amputees of Toronto, Hamilton and the Waterloo-Wellington branch enjoy a get together at which a softball tournament is arranged. Those participating must be amputees. Each player must run and bat for himself. My position has been that of pitching, which sometimes takes in 10 innings and two games. I could go on and mention many fine players despite their handicap?

Our greatest competitor under these conditions has been veteran Ed Wilkie of Kitchener, a triple amputee who lost both legs and one arm. His performance has been the talk of our community. He bats with one hand, walks to first base and, in stealing second, if late he will slide into that base. Of course this causes a delay in the game as he requires a few minutes to adjust his harness and pull himself together. I merely mention this to show that his splendid fortitude is an example to all of us who are more fortunate, and represents the challenging sense of determination. Men of his spirit are the backbone of our country. Yes, such veterans are contributing more and more to the economic, social and political life of Canada, and will continue to do so in future years.

Under the leadership of our former minister of veterans affairs our government has brought about important improvements during the past number of years. Some of these include amendments to the Veterans Insurance Act under which benefits are now available until September 30, 1962, after which all eligibility

ceases. I understand that all possible means to publicize this fact have been used. Amendments to this act, along with Returned Soldiers' Insurance Act, have given valuable security to the dependants of many of our comrades. Much could be said of the amendments to the Children of War Dead Education Assistance Act. Over 1,800 children have been approved for educational assistance under this act up to the present time. This could be one of the finest investments that our government has ever made.

The changes in the Veterans Rehabilitation Act were largely administrative, and the changes in the War Service Grants Act dealt with re-establishment credits. The most important one could be the extension of the period of eligibility for benefits to September 30, 1962 or, in the case of Korean veterans, 15 years after discharge. The amendments to the Veterans' Land Act extended to those who needed it; the principle of supervised farms and substantial amounts of additional capital through which they will be able to extend their farm businesses and improve their net returns. Another change which I believe pleased all veterans was the decision to pay an annuity of $300 to all holders of the Victoria Cross who won this highly prized award while serving with the Canadian forces in world war II or subsequently.

Hospitalization and medical treatment are becoming more and more necessary. With this in mind our government have completed or started, or have now in the planning stage, various hospital projects. I understand that a new 300-bed wing at Deer Lodge hospital, St. James, Manitoba, was completed during the summer of 1958, and is now making a great contribution toward the welfare of veterans. Shaughnessy hospital at Vancouver officially opened a new 314-bed wing last year. I had the privilege of visiting this hospital some years ago, and was impressed with its location and the service extended to those comrades.

After the first war in 1919 I entered Westminster hospital, London, Ontario. Improvements have been made to this hospital from year to year, and construction started last year on a new wing which will accommodate 300 more veterans. The Queen Mary Veterans hospital in Montreal, Ste. Anne's Veterans hospital at Ste. Anne de Bellevue, and St. John's General at St. John's, Newfoundland, will be modernized at considerable cost. These improvements demonstrate that our government is intensely interested in the welfare of all veterans, especially those who are in need of medical care.

The War Veterans Allowance Act has been amended on several occasions, and in one instance consideration was extended to the widows of recipients of those benefits which is not extended to the widows of those receiving benefits under the Pension Act. Upon the death of a married recipient of war veteran's allowance, his widow receives allowance at the full married rate for one year following his death, as she should. The widow of a person pensioned under the Pension Act does not receive any such supplementary benefits. This should be changed. This point was brought up by me in my address during the discussion of the veterans affairs estimates in July of last year. Therefore I recommend again that widows of those pensioned under the Pension Act at the rate of 50 per cent or more should receive the full married rate of compensation in effect at the time of the death of the pensioner for a period of not less than one year following such death.

Another point which I brought up at that time, and which has given others and myself much concern, was the continuation of the allowance after the death of a pensioner in receipt of a pension of less than 50 per cent. The present legislation reads:

> In the case of those in receipt of less than 50 per cent at the time of death and whose death is not established as due to pensionable disabilities, no pension or allowance is paid.

In order to avoid further hardships, which have been brought to my attention on numerous occasions by widows in financial difficulties, I suggest to the Minister of Veterans Affairs and the government that the allowances in respect of wives and dependants being paid to the pensioner at less than 50 per cent at the time of death be continued to the widow and such dependants as long as they remain eligible as otherwise provided under the act. Perhaps we should also use the plan that is now being used for the widow of a pensioner who has a pension of 50 per cent or over.

Our government and the Department of Veterans Affairs are continually working on improvements for our limb and arm amputees. Recently Messrs. Butler and McLachan, close friends of mine and leg amputees of the second world war, journeyed to the United States where they invested in a Hydra-Cadence artificial limb. Although these limbs are in the trial stages as far as Canada is concerned, the facility of movement in the walking of these gentlemen has improved over 50 per cent. This has been my personal observation. I understand that considerable progress is being made in the development of this Hydra-Cadence limb, and that plans are under way for the Department of Veterans Affairs to obtain some of these units for trial use. This is commendable, and our gratitude for such a move is extended

to Dr. Crawford and his staff. I believe these limbs may be successful, and I am hoping that future tests may substantiate my remarks.

As you know, Mr. Chairman, this week Canada will observe white cane week. We as Canadians have always supported any worthwhile cause. With that in mind, I hope our financial efforts will be substantial. Among those who carry the white cane are quite a few of our comrades from world wars I and II. These veterans, along with the paraplegic cases and other 100 per cent pensioners, especially those living in the urban areas where the cost of living is high and who have disabilities in regard to earning power, are encountering many financial difficulties. May I recommend to the Minister of Veterans Affairs that when pension adjustments are forthcoming we make certain that the 100 per cent pensioner will not experience any financial worries in addition to his physical handicap. Let us be more generous to the 100 per cent pensioner who in most cases is unable to work because of his physical disability.

I believe that most Canadians have been satisfied with the governmental legislative programs which have safeguarded the welfare of our country's veterans. I believe too that over the years the presentations made by the different veterans organizations have been both reasonable and realistic. I feel sure that our Minister of Veterans Affairs and his department, the government and the veterans affairs committee will, when considering amendments to the Pension Act, realize the great importance of these amendments from the point of view of substantial increases in pension payments to veterans and their dependants.

It has been a real pleasure for me to be associated with my colleagues on the veterans affairs committee, and I wish to commend them for their untiring efforts and sincere deliberations on those important questions that pertain to the welfare of all veterans. Finally may I extend my sincere congratulations to our new Minister of Veterans Affairs. His distinguished war service and knowledge of veterans affairs will be of great value in filling this important governmental post. I extend to him my best wishes for his future success.

Mr. Carter: Mr. Chairman, I should like to begin by expressing my congratulations to the minister on taking over this very important portfolio. I should like to take this opportunity to thank him publicly for the personal interest he has taken in those problems of veterans which I have already brought to his attention. I should also like to join with all those who have paid tribute to the former minister of veterans affairs, who has now departed for the more serene atmosphere of the other place. Colonel the Hon. Alfred Brooks served on the veterans affairs committee for approximately 25 years, and we always found that when it was a matter of the problem of our veterans he had a very sympathetic heart. I am sure the new minister is determined to continue in that tradition.

As recorded on pages 734 to 736 of *Hansard*, the minister in introducing the resolution outlined several of the proposed amendments, the chief one of which will increase the rates of disability pensions and supplementary pensions to disabled veterans and their dependants, and will also make supplementary payments available to veterans outside of Canada. The minister also listed other increases such as the increase in the grant for burial expenses, the increase in the rates of children's allowances, and an amendment which will permit children in receipt of pension allowances to have them continued until the end of the month instead of being cut off on their birthday. This small additional allowance will be an acceptable birthday gift, but as the minister told us it will not amount to any very great financial assistance because it is being introduced mainly for the purpose of simplifying administration. The minister also mentioned that payments to children will be made equal for each child rather than being on an escalator scale, and that the payment to each child will be a little better than the present average.

We also welcome the amendment the minister has indicated he proposes to introduce with respect to widowers who have to hire someone, an older sister, an aunt or some other relative, to look after the children when the mother has passed away. This is a very welcome measure and will also serve to take care of the problem of orphans, which I think has been a difficulty up to the present time. All these measures are welcome.

At this stage we are discussing the principle of these measures, and since the principle is to help our veterans we are heartily in accord with it. Before we can criticize the minister's legislation we will have to have the bill before us to enable us to see how it measures up to the recommendations that have been made from time to time by members of the house and by representatives of the Canadian Legion and other veterans organizations.

I was very glad to read the minister's statement, found on page 735 of *Hansard*, with regard to Canadian citizens who served in an allied force during world war I or II. This amendment will enable them to have the pensions they receive from the allied

government supplemented up to the Canadian rate. In short, this measure will put those Canadians who served in an allied force on the same footing as Newfoundland veterans. We have not been satisfied, of course, with that status, and it is a matter of disappointment that the minister made no reference to the position of Newfoundland veterans when he introduced the resolution.

We have always maintained that our veterans should be regarded as though they had served in Her Majesty's Canadian forces. That status was outlined in the terms of union. We have heard a great deal about the terms of union and one of them, term 29, has received extensive publicity. But there were more than 29 terms in the terms of union. Actually there were 50 terms, and in addition there was a schedule which outlined the federal districts in the province of Newfoundland. The term that applies to Newfoundland veterans is term 38, and I should like to put it on the record at this time. Term 38 of the terms of union of Newfoundland with Canada is headed "Veterans" and reads as follows:

Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if the Newfoundland veterans had served in His Majesty's Canadian forces, namely—

Then there follow a number of paragraphs setting forth the various benefits. Paragraph (a) deals with the War Veterans Allowance Act; paragraph (b) with the Pension Act; paragraph (c) with the Veterans' Land Act; paragraph (d) with re-establishment credits; paragraph (e) with vocational and educational training and paragraph (f) with the Veterans Rehabilitation Act. I should like to quote in full paragraph (b), which has to do with the Pension Act as it would apply to the Newfoundland veteran. This paragraph reads:

Canada will assume as from the date of union the Newfoundland pension liability in respect of the first world war, and in respect of the second world war Canada will assume as from the date of union the cost of supplementing disability and dependents' pensions paid by the government of the United Kingdom or an allied country to Newfoundland veterans up to the level of the Canadian rates of pensions, and, in addition, Canada will pay pensions arising from disabilities that are pensionable under Canadian law but not pensionable either under the laws of the United Kingdom or under the laws of an allied country;

So far as the Newfoundland veterans are concerned, they fall into four categories. In the first category come veterans of the first world war, and in that respect there is no problem. The other three categories have to do with veterans of world war II. Category 1 would be the veterans who were already in receipt of pensions from the United Kingdom. Evidently those pensions would now be supplemented up to the prevailing Canadian rates, and that is quite all right. Category 2 would include Newfoundland veterans who had applied for British pensions and had been refused. Now these veterans would be eligible to apply to the Canadian pension commission for a pension and Canada would pay the pension according to this provision:

—in addition, Canada will pay pensions arising from disabilities that are pensionable under Canadian law but not pensionable either under the laws of the United Kingdom or under the laws of an allied country;

The veteran who had been turned down would be eligible to try again with the Canadian pension commission. With respect to the third category, this would include new applicants, people who had never applied to the United Kingdom. These veterans were to be treated, according to term 38, as if the Newfoundland veteran had served in His Majesty's Canadian forces. This is the plain wording of term 38, and term 38 is part of the British North America Act. It is part of our constitution and certainly should override any other legislation. Any legislation pertaining to veterans should be interpreted in the light of what term 38 says.

This has not happened. In so far as new applicants are concerned, they have not been treated as though they had served in Her Majesty's Canadian forces. They have been required to submit their applications to the British ministry of pensions just as they did before confederation. Now, no person who served in the Canadian forces has to apply to the British ministry of pensions, wait six or seven months to have his claim processed, and then find out whether or not he is going to get something. The veteran would then have to go to the Canadian pension commission and go through all that procedure again to get the pension supplemented if he were successful in getting a pension. The words of term 38 could not be clearer. They say that the benefits will be made available on the same basis as if the Newfoundland veteran had served in Her Majesty's Canadian forces. This provision relates to new applications.

We are glad to see that other Canadians who were getting pensions from allied governments are now to have their pensions supplemented; that is a good thing. However, we point out that, so far as Newfoundland is concerned, our case is different. These Canadians who were domiciled in Canada by-passed the Canadian forces. They did not have to go across to England or France to join up with the British forces; there were forces here in Canada that they could have joined. If they deliberately chose to by-pass the Canadian forces and enlist in the forces of another country, that was their choice. I do not believe

their claim is so strong, although I am glad to see they are being given consideration. I think that is a good measure, and I support it.

This is not the case with Newfoundland. The Newfoundland veteran did not by-pass the Canadian forces. He had no choice but to join the imperial forces, because we came under the imperial war measures act. Term 38, which I just quoted, takes care of that.

I know that hon. members will say, why has all this time passed and nothing been done about it? This is a fair question. Nothing has been done about it because we did not know about it until 1955 or 1956. We did not get any complaints from the veterans. I suppose one of the reasons we did not get complaints was that the average veteran did not know about term 38. He did not know the actual wording of it. It was only when we began to get complaints about long delays being experienced in the British ministry of pensions that we began to dig into this question. It was only four or five years ago that I became aware of this problem myself, since I had to dig into it. The point is that it has been brought before the house on several occasions.

The former minister of veterans affairs acknowledged this problem, and I should like to read something he said in that regard on December 19, 1957, as recorded on page 2632 of *Hansard*. I had outlined the same problem to him as I have here today, and in reply the minister said this:

> With regard to the remarks of the hon. member for Burin-Burgeo with reference to Newfoundland veterans, I think there is a real case there and I am very much surprised that the problem of the Newfoundland veteran has not been dealt with before this time.

Then further down the page we find this; I am not going to quote the whole paragraph:

> Any veteran who is a Canadian, whether he comes from Newfoundland or from any other part of Canada, should receive exactly the same treatment as that received by other Canadian veterans. That is my opinion and I think that would be the opinion of a veterans committee which might review the matter. I can assure the hon. member for Burin-Burgeo that it will be given every consideration.

Well, those remarks were made on December 19, 1957. We come now to December 12, 1960 and we still find nothing in the minister's statement that gives us any encouragement to believe that this problem is going to be dealt with at all. I submit to the minister that perhaps legislation is not required to deal with it because it is a matter of interpretation. I noted that, as reported at page 736 of *Hansard*, the minister made this statement:

> In some instances, the act and the interpretation of the act have limited the activities of the pension commission, and in the revision that is now going on it is our hope that some of the sections which have hindered the commission from time to time may be altered so that its work may become more effective.

I do not know whether there are any sections of the act that are hindering the Canadian pension commission from implementing term 38 as I have quoted it here today. But if it is a matter of interpretation, certainly term 38 is clear. I do not see how it can be put in clearer language. That was a definite commitment of the parliament of Canada to the people and to the veterans of Newfoundland. We are just asking that it be implemented even at this late date. As I said, possibly it is just a matter of changing the interpretation.

Toward the end of the resolution itself I note that there is a rather curious clause. A part of this resolution is going to introduce an amendment for the following purpose:

> —to permit appeals from decisions of the former board of pension commissioners—

The minister did not explain what that language meant when he spoke. When he replies I hope he will clear up any mystery that may be hidden in these words. I am fully in agreement that there should be provision for appeals from the decisions of the pension commission, but I think it should apply with regard to every commission and not merely the former pension commission. I think every board of pension commissioners are sometimes going to make mistakes. I believe there should be a right of appeal, and I think the right of appeal should not be confined merely to decisions of the former board of pension commissioners.

Returning to the problem of the status of the Newfoundland veteran, I have quoted previously, and perhaps I might quote again to the new minister, a precedent. If he will look back over his records he will find a precedent which I think could be used to clear up the situation in regard to Newfoundland veterans. That precedent arises out of a situation which arose during world war II. During world war II there was a time when Britain was short of flyers to man her aeroplanes and when certain Canadian personnel from the Canadian air force were transferred to the Royal Air Force. They served from, as far as I know, with the Royal Air Force for a considerable period and possibly until the end of the war. I cannot say how long they served, but in any event they served.

Some of these veterans became eligible for pensions. In the first instance they were required to go through exactly the same procedure as that which was required of Newfoundland veterans. In other words they were obliged to apply to the British ministry of pensions and try their luck there, and then

to come back to the Canadian pension commission for a supplement. Then after a while the government of Canada made a deal with the British ministry of pensions whereby the British ministry of pensions would pay a flat rate to the Canadian government and the Canadian government undertook to supplement it in order to bring it up to the Canadian level.

But I submit to the minister that it is mainly a matter of putting into effect the plain terms of the agreement between Newfoundland and Canada with respect to our veterans; and those terms are that, as far as Newfoundland veterans are concerned, having regard to their new applications, they will be treated as though they had served in Her Majesty's Canadian forces. That is all we are asking. I hope the minister will give consideration to this matter, and that when he replies he will set our minds and our hearts at rest with regard to whether anything is to be done about it at this session.

In theory the purpose of a resolution, as I understand it is to enable suggestions to be made prior to the bringing in of a bill so that all these wise suggestions can be incorporated in the legislation. I think that is something honoured more in the breach than in the observance. However, with respect to matters pertaining to veterans and veterans dependents, this is the only opportunity we shall have to do anything about it. Once we get the bill before us it will not be possible for us to bring in any amendment because then we shall be ruled out of order on the ground that any amendment we might propose in order to assist veterans will be a charge on the public treasury and, of course, under our rules it could not be permitted.

Therefore, before I sit down I want to make a few more suggestions which are going to cost the government a little bit of money, but which I hope the minister will see fit to incorporate in the amendment that he plans to set before us.

One big disappointment is that nothing has been said about extending benefits to the Newfoundland foresters of world war II. The president of the Newfoundland overseas forestry unit, Mr. Thomas Curran, and the secretary, Mr. C. R. Baggs, appeared before the standing committee on veterans affairs on March 31, 1960, and presented a brief which in my opinion was well and sympathetically received by the committee. In that brief they explained to the committee that they had performed exactly the same services as had been performed by the Newfoundland foresters of world war I. In world war II they had done exactly the same work as that done by the Canadian foresters, who often worked with them side by side; that they had taken the same risks and undergone the same hardships, and that the only obstacle preventing them from receiving benefits is a technicality, namely that they were not put in uniform and organized as a battalion.

If we are interested in justice; if we want to do the right thing, surely we must realize that the right thing must be based on the merits of the case and not on technicalities such as whether a person had a uniform or whether he was recruited in a certain way. Certainly those technicalities should not be allowed to stand in the way of administering justice.

Then, of course, from time to time we have had requests from the merchant navy, from the rescue tug service and from the firefighters. All of them have very strong cases. If we are going to do justice to them we must base it on the merits of the service they perform and not on any technicality as to how they differ from the armed forces or things like that. These merchant navy people, the rescue tug service, performed services just as vital to the winning of the war as those performed by the other armed services, and in many cases the percentage of their casualties was higher.

Today in my own riding I have a number of crippled people who are incapable of earning a living and providing for their families because they contracted tuberculosis while cooped up in some freighter during the war, or because they were floating around in the ocean for 48 hours or 72 hours and contracted arthritis and all sorts of conditions and ailments arising out of the hardships which attended their service. Yet these people who served just as truly and just as nobly as did the others who were in the fighting forces are in this situation today, namely that they and their families must depend on public charity and public relief.

If Canada is ever going to find its soul, and if we are ever going to start to do the right thing, I do not think we should hedge about technicalities; rather we should do the thing that is right because it is right. I ask the minister if he will not try, even at this late date, to find some way of incorporating in his amendments measures which would do something for these people.

In closing I wish to support the suggestion made by the hon. member for Waterloo North with regard to continuing the pensions paid in respect of disabilities assessed at less than 50 per cent. In the case of the death of a veteran whose disability has been assessed at 50 per cent or more, the pension continues to be received by his widow and children; but in the case of a man who has suffered,

let us say, a degree of disability estimated at 45 per cent, the widow and family find their source of income cut off.

There seems to be injustice involved here, because if the principle is good in respect of 50 per cent it should be equally good in respect of 45 per cent or 35 per cent. We are not asking the government to extend the payment in respect of 50 per cent disability but to widen the principle so that those people concerned at least would not lose their source of income abruptly and be cast upon public relief and public charity.

Mr. Sevigny: For many decades the members of the Progressive Conservative party have been the advocates of even better treatment for the veterans of our nation who served in the two world wars and also in other conflicts. While they sat on the opposition benches, the members of the Progressive Conservative party at all times asked that better pensions should be given to our veterans and that improved treatment should be accorded to those who had suffered from wounds resulting from their participation in action on the battlefield. They played a major part in securing from previous governments various improvements in the treatment of our veterans.

It is indeed gratifying to me to be an active member of a government which, ever since it secured power on June 10, 1957, has taken care of all those who served in those two wars and who, as a result of their devotion to duty were disabled on the battlefield. The former minister of veterans affairs, Hon. Mr. Brooks, devoted all his time and energies to improving the conditions existing in his department. He has, indeed, done a great job, and the veterans of this nation owe him a great many thanks and a debt of gratitude.

The work which he so ably performed is being carried on with efficiency and devotion by another veteran, the hon. member for Winnipeg South Centre the present holder of the portfolio of veterans affairs. As one who served during world war II, as a member of the War Amputations of Canada and of the Canadian Legion, I am pleased in the name of my fellow veterans to extend my thanks to the Minister of Veterans Affairs for the constant care which he shows for the disabled servicemen of this nation.

(Translation):

Mr. Chairman, on behalf of my colleagues of the War Amputations of Canada, and of all veterans of this country who, because they were wounded in various actions, must receive a government pension, I am very happy to thank the former minister of veterans affairs, Senator Brooks, and the present minister (Mr. Churchill), for their magnificent work on behalf of our nation's veterans and their families.

Surely, among those who deserve the people's gratitude, none are more deserving than those who fought for months, and sometimes even for years, on the battlefields where our Canadian troops were called upon to serve and who, because of their devotion and heroism, now have to bear the scars of glorious wounds.

I want to pay a very particular tribute to those who laid down their lives because they wanted to serve their country and the cause of democracy. As I want to pay them a well-deserved tribute, I shall borrow the following verses from the poet Victor Hugo:

Ceux qui pieusement sont morts pour la patrie,
Ont droit qu'à leur cercueil la foule vienne et prie,
Entre les plus beaux noms, leur nom est le plus beau.
Toute gloire près d'eux passe et tombe éphémère.

Those who devotedly have died for their country,
Should rightly see the people flock to their graves to pray.
Among the greatest names theirs are the brightest.
All glory, beside theirs, is fleeting ephemeral.

The heroic sacrifice of those who died at the front is equalled only by the sacrifice of those who, today, as victims of their duty, must still bear the pain of wounds received in action. For many of them, advancing years only add to their burden of suffering.

A moment ago, the hon. member for Waterloo North (Mr. Weichel) mentioned that at the recent meeting of the War Amputations of Canada, 130 of our members who had died the previous year were missing at the roll call.

The veterans of the first great war are certainly due to disappear quite rapidly in the next few years, not only because the growing load of years affects them to a certain extent like everybody else, but also because, apart from that load, they have to bear that of their wounds which, in some cases, causes them to age before their time.

Several veterans of the second world war are now getting on in years. Some of them whom I know, find it impossible today to continue in their profession, which they had practised for many years, i.e. since the fighting ended in 1945.

Consequently, it is of capital importance to raise the level of veterans' pensions, and the action taken by the Minister of Veterans Affairs and the goverment as a whole is certainly welcome at this time.

This increase will be a protection against the destitution which unfortunately, threatens quite a few of our veterans.

And while I am on the subject of the fate of veterans, I should like to pay a very special tribute to the personnel of the Department of Veterans Affairs, and particularly to those of hospitals caring for those of our veterans who, for some reason or other, have to be hospitalized.

When I came back from the war in 1945, I was fairly discouraged, and if it had not been for the good care and encouragement I received in veterans hospitals, I wonder whether my convalescence would have been as short, and if I could have made such rapid progress as I did.

This is perhaps the first opportunity I have in this house of addressing myself to the personnel of those hospitals, as well as to all those who serve in that department. And I am delighted to pay them the tribute due to them, and to thank them for all they are doing to help our war amputees and other veterans. It is from the bottom of my heart that, on behalf of all my comrades in arms, I express our most sincere appreciation for so many services rendered.

Before closing my remarks, I should also like to point out that our veterans are an example for the rest of our citizens. In fact, those men who, when the time came to serve their country on the battlefields, did so without hesitation, continue today in civil life to serve their country with dignity and competence. Only rarely will you meet a veteran who, today, does not occupy an important place in our national life; not very often, either, will you see a veteran who does not play some significant role in our country's economy.

Our veterans have learned to serve their country. They have understood the meaning of discipline. They have understood the necessity of obeying certain rules and, above all, they have learned the necessity of having esprit de corps and spirit of unity because, as everyone knows, to wage war individual effort is not enough; it requires the effort of a group which, united and fighting for the same cause and the same objective, strives to achieve the same goals. Our veterans continue to put into practice, in civil life, the spirit of co-operation which they have learned while serving their country.

I am proud to say that our veterans can rightly be considered as the best citizens of this nation, because they have learned to understand the necessity of that unity while serving their country and fighting for the same cause and for the same objective. As a matter of fact, in their regiments never has race or religion separated one soldier from another; quite the contrary, regardless of their ethnic or racial origins, our soldiers fought hand in hand in splendid co-operation, realizing that it was in uniting themselves in battle, as they did, that they could achieve final victory, the ultimate objective, which was to save democracy as we understand it.

That national unity which our soldiers achieved in the service of their country, they still strive to strengthen through the efforts they make towards that end in their civil occupation.

I think the best example of that national unity can be found in such veterans' associations as the Canadian Legion, the Canadian War Amputations Association, the Paraplegic Society and other associations which maintain, in peacetime, that tradition of service and national unity for which so many of our people fought, for which so many suffered the consequences of glorious wounds or even made the supreme sacrifice.

I feel that the action taken by the government today constitutes an homage to those Canadians who fought in the army, the navy or the air force. For my part, I am proud to be a member of this government which gives such recognition to the services rendered by those veterans who have contributed to victory in two world wars and are now contributing to the establishment of peace.

(Text):

Mr. Chairman, my last remarks will be words of homage to those veterans who have died in recent years, and who were so eloquently referred to by the hon. member for Waterloo North. I believe that the finest homage which can be rendered to these men may be found in these beautiful verses which we repeat at our reunions and which move us so deeply as we commemorate the memory of those who fell on the battlefields, victims of their duty and of their desire to serve their country. These verses—and I hope my memory shall not fail me—are as follows:

They shall grow not old, as we that are left grow old:
Age shall not weary them, nor the years condemn.
At the going down of the sun and in the morning
We will remember them.

Mr. Winch: Mr. Chairman, I am sure we all listened with a great deal of interest and respect to the words of the Associate Minister of National Defence. We all appreciate his sincerity, integrity and emotion so calmly reflected in his remarks in view of his distinguished war record and his trials and tribulations as a result of his wounds suffered in the active service of our country. I was interested in the verse with which the hon. gentleman concluded his remarks. We fight a war on two fields in our lifetime, one on the battlefield and one at home. I wish to add to the words used by the hon. gentleman. In my opinion homage is best expressed in the words of Rudyard Kipling. They are these:

Not as a ladder from earth to heaven, not as a witness to any creed,
But simple service, simply given to his own kind in their common need.

To me that epitomizes humanity and citizenship in time of peace and war. That is the approach I wish to take in my brief remarks at this time.

I appreciated the associate minister's remarks. I can understand his taking advantage of this opportunity to pay homage to those who fought, those who died and those who returned in safety and their dependants who suffer because of the sacrifices in war. I cannot, however, agree with the remark of the minister that this has been foremost and uppermost in the devotion of the party which makes up the present government.

We in this group most certainly welcome resolution No. 9 on today's order paper which is now before us, for which the Minister of Veterans Affairs is asking the support of the house. He will most certainly receive the unanimous support of hon. members to bring in a bill to provide for increases to disabled veterans and their dependants, to permit payment of supplementary payments in certain cases, and to permit appeals from decisions in cases which are not now covered under the existing wording of the act which is subject to wrong decisions or misinterpretation.

But there is one thing I should like to draw to the attention of the Associate Minister of National Defence before he leaves the chamber. We welcome this resolution and what it purports to do. With respect to the statement as to the devotion of the Conservative party to the veterans, we wish the minister would have recalled that this legislation was supposed to come before the House of Commons last year. I say that because of the statement made in the veterans affairs committee of the year before to veterans organizations that appeared before the committee, that the legislation would be introduced in the House of Commons last year. Whatever their devotion may be now, I am afraid they have been over a year late in fulfilling a promise given in the veterans affairs committee two years ago. I think this matter should be drawn to the attention of the Associate Minister of National Defence and the Minister of Veterans Affairs. Read the committee report of two years ago and the statement of the minister. Recriminations are not important at the present time, but I had to draw this to the attention of he miniser.

We now have this resolution. I have received a great number of letters in regard to this matter, and this is why I rise in my place and speak at this time. Because of the language of the motion a number of us and many veterans are not quite certain as to how far it intends to go. It makes reference only to the Pension Act and to increases to disabled veterans and their dependants. The question I ask is, does this also cover changes in the veterans allowances? I refer to allowances to burnt out pensioners. My interpretation of this resolution is that it applies only to one act.

Mr. Churchill: That is right.

Mr. Winch: I thank the minister for nodding his head and saying that my interpretation is correct. Therefore I want to add my words to those of the veterans associations, and I am certain to those of many members of this House of Commons. It is absolutely correct that attention should be paid and is going to be paid to the disabled veterans and their dependants. Surely there should not be discrimination against those whose war services have been recognized in an act of parliament but who are not going to receive attention simultaneously with the ones who are covered in the resolution now before us and in the bill which will follow. It was because of recognition by parliament in the past of the effect of war on those who are not disabled, as they advance in years, that the veterans allowance act was brought into being. Their cost of living is the same as those who are disabled. For the life of me I cannot understand why, when by law these two groups of veterans are recognized for pension purposes, one group is left out when amendments are made to the Pension Act during this session of parliament.

There is not only this fact of discrimination now. They are already discriminated against because they have to face a means test. I think that should be revised upward right now. Even if no consideration is to be given to that surely the minister will give thought to those on war veterans allowance as well as those who are disabled. If there is a reason why there should be discrimination between these two groups of veterans,

perhaps the Minister of Veterans Affairs will have the courtesy and the kindness when he concludes this debate to tell us why the discrimination should be permitted to continue at this time. Why do those on veterans allowance not need an increase in the same way as those who are disabled?

May I also add my words to those of the hon. member for Waterloo North and ask the minister whether in this resolution he has given any thought or will give any thought to those in Canada and, as was pointed out by the hon. member for Burin-Burgeo, to those in his province in particular who went overseas in the forestry corps but do not receive benefits. Since the hon. member spoke of that matter in some detail I will not touch on it.

I am going to ask whether this resolution which deals with veterans gives any consideration to rectifying what I think is one of the most disgraceful things that has happened to those who went overseas and have never received any recognition. I refer to the recruiting of those who were asked to go overseas as firefighters. They were paid army pay but were never officially recognized in the same way as members of the active force on the battlefield itself, although they did serve under fire. According to statements I have received, they have never been recognized as eligible for veterans benefits and, I gather from the wording of the resolution, are not being recognized in the bill that is to be introduced following the passage of this resolution. I hope the new Minister of Veterans Affairs is giving some thought to those men who were under fire, who were recruited in Canada and did a necessary job overseas.

I said I was not going to speak at any length. There is only one other matter which I should like to place before the committee because it has been brought to my attention. I express the hope that the legislation to follow the resolution will give effect to the recommendation in the brief submitted to the Prime Minister and the cabinet by the Canadian Legion on December 12, 1960, with respect to a revised rate for dependant parents. If I may refer to that matter very briefly, on pages 7 and 8 of the brief the Legion points out that back in 1951 a widow received $75 and a dependant parent also received $75 whereas after the revision in 1951 the widow received $100 and the dependant parent $75. In addition, under the 1957 amendments the widow's rate was increased to $115 and the rate for a dependant parent to $90. As the Canadian Legion so aptly points out, there would seem to be no reason for this discrimination and the Legion recommends that the pension for a dependent parent be restored to its former basis whereby the rate of payment was equal to that in the case of a widow with, of course, a more adequate additional amount where there are two dependant parents.

When the bill is before us and we know its details we will be able to discuss all aspects of this most important matter concerning our veterans with far more thoughtfulness and understanding. When the minister closes the debate I hope he will tell us about his approach to the financial problems of those on war veterans allowance. I hope he will also indicate whether anything is going to be done for those who fought overseas as foresters or firefighters. In particular, and of the utmost importance, I should like to know what the view of the Minister of Veterans Affairs is with regard to all aspects of the recommendations made by that most responsible organization, the Canadian Legion, on December 12, 1960.

Mr. Montgomery: Mr. Chairman, I should like to say a few words on the resolution chiefly because I was unavoidably absent from the house when the estimates of the department were considered last year and, having had the pleasure of being chairman of the veterans affairs committee, I should like to say a few words at this time with respect to the work of the committee. Before I go into that, may I join other hon. members in extending best wishes to the minister in his work in this department. I should also like to refer to the great work done by the former minister and the interest he always took in and out of the house in our veterans.

As I have become better acquainted with the work of the department I have come to understand that its work is quite diversified and that it has to do with the interests of veterans in many fields. While the hon. member who has just taken his seat was speaking—

Mr. Broome: Who has just left the chamber.

Mr. Montgomery: —I could not help thinking that he lets his heart run away with his head, to put it in a kindly way. I think a lot of people feel the same way but matters having to do with veterans affairs should be approached in a logical, sensible and economic way. In particular, there is a great difference between veterans allowances and disability pensions, and if the hon. member wants to find out more about the matter let him talk to those members who earned their disability pensions on the battlefield. I do not think this is any time to discriminate or to bring politics and recriminations into the debate.

I have been a member of several house committees and I have enjoyed participating in the work of the veterans affairs committee more than in that of any other committee. In the veterans affairs committee members of all parties seem to get together and to want to do what is best for the veterans. They want to come to conclusions that will benefit the greatest number. There is no recrimination and backbiting in that committee or disagreements such as we find in other committees. I am very proud of the hon. members who were on the committee last year and in other years under the former chairman. I consider them to be friends and I have never yet heard them make remarks such as were made in the committee today.

Mr. Broome: The hon. member is not a member of the committee.

Mr. Montgomery: I do not think that makes any difference. Maybe if he were a member of the committee he would understand things a lot more. I wanted to refer to the committee before saying anything about the resolution. As chairman of the committee last year I appreciate having worked with those who were members of the committee and also on former committees when I was a member though not the chairman.

I also want to say that I think we have received the greatest degree of co-operation from the officials of the department. Prior to my experience on the committee I did not have the slightest idea of the broad field of work that comes under veterans affairs, including hospitalization, the Veterans' Land Act, rehabilitation, etc. You will find very few veterans in this country who are not ready to stand up and say that they appreciate what has been done for them.

I do not propose to talk very long. The resolution has to do with amendments respecting disability pensions. It is true that it may not meet the wishes of all of us. I am not sure what the increases will be but I have a feeling that whatever they are they will be satisfactory to the great majority of disability pensioners in this country.

There are one or two points about which I wish to say something. One of them has been covered by my colleague, the hon. member for Waterloo North. I have never been able to understand why a widow was denied a pension if her husband was not in receipt of at least a 50 per cent pension. I feel that the time has come when we should give consideration to wiping out that, what shall I call it, floor of 50 per cent. I believe that the widow should receive half of the pension the husband was receiving as long as she remains his widow. This has been my thinking for some time, and I am glad that the matter has been mentioned. If we find the bill contains no provision in this respect, then we will keep on pressing for it and I am sure our representations will be given consideration.

There is another matter about which I wish to say a word or two, and about which the Canadian Legion has been rather critical. What I am about to say is not by way of criticism. Last year and the year before, if you look at the minutes of the standing committee, you will find there was considerable criticism of the Canadian pension commission's interpretation of section 70 of the act. This is known as the benefit of doubt section. We have been asked to make that section stronger. I should like to say to the minister, to other veterans and to the Canadian Legion, that I have studied this section and I do not see how parliament can do much more.

Every once in a while cases are brought before the committee which indicate that some veteran has not received the benefit of the doubt. Nevertheless I believe we should be very careful about passing judgment on this exercise of discretion by the Canadian pension commissioners until we have heard both sides of each case. I presume that the members of the Canadian Legion who have criticized these cases have heard both sides of the story. I feel that the deputy chairman of the Canadian pension commission outlined the situation very well, as I think anyone learned in the law will understand, when he said that the discretion left with a body or with an individual is exercisable by that body or individual. If the commission is not exercising its discretion to the satisfaction of those who appear before the committee there is not much parliament can do about it. We cannot appoint a man to a position and then tell him what to do.

I feel that over the years the governments have appointed men to the Canadian pension commission in whom they had confidence. On the whole I believe those members have done a fairly good job. It may be that they are overworked. It may be that we need to appoint more members to the commission. It may be that we need an appeal board set up within the pension commission itself.

Last year I noticed a reference to the fact that a claimant had to wait for several months in order to get his case reopened. The decision of the pension commission is final, but if an applicant can secure new evidence it is seldom, if ever, that the case cannot be reopened. This reopening of the case does not mean merely a review, but the case is tried from the beginning. It might save time if we had, as we have in the supreme courts of the provinces, an appeal

branch within the Canadian pension commission to which these cases could be referred. If after the final decision of the pension commission new evidence were procured the case could be taken directly to the appeal branch.

If I may return for a moment to the consideration of this question of discretion, I may say that I feel the pension commissioners have not been unfair. I suppose that if I were to take a number of cases to them and the commission turned them down I would feel they had not exercised their discretion properly under the benefit of doubt section. However, what may seem to me to be reasonable doubt might not seem to be a reasonable doubt to you, Mr. Chairman. This is our difficulty. I do not see how parliament can strengthen this provision because we have placed this discretion in the hands of the commissioners. The only thing we might do would be to impress upon the commissioners the fact that we feel they are not exercising their discretion in favour of the veteran. Perhaps if the commissioners felt we were not happy with the way they were exercising this discretion they would give these cases a second look, and they might take a more lenient view in the exercise of their discretion. I believe that an appeal board composed of men who had not heard these cases should be established so that these cases could be given further consideration.

In so far as veterans allowances are concerned, I have received few complaints in my area so I judge the people are happy about it. I just get the rare complaint. I do believe that at present the dependant parent of a deceased veteran, whose widow and children are receiving a pension can only get $40. I believe there is a point there to which we could give consideration. I do not believe $40 is sufficient. However, I will not go as far as some other hon. members. After all, this dependant's allowance is like the war veterans allowance and was given in lieu of the old age pension. If a married couple are both receiving the old age pension they can get $115. There are many points to be considered in this argument. I believe that governments, over the years, have been gradually more generous. I believe these cases must be considered from every standpoint. I do not like to see a member get up in the house and commence to rail about these poor people.

The veterans, especially the disability pensioner who was wounded on the battlefield, are not asking for sympathy. The pensions we are giving them for the loss of arms or legs or something like that are not sufficient to repay them for these losses, but these same pensioners will tell you that they would rather see the boys who did not get any recognition receive some pension than to get an increase in their pensions. These veterans who saw service are amongst the most generous citizens in this country.

I do not think I will take up any more of the time of the committee. Whatever increases are provided in this bill, they will be appreciated. No doubt there are other things to be tidied up. I have no doubt that our present minister is working on that matter with his officials.

There is another point that should be given consideration but it cannot really be raised or should not be raised on this resolution. I refer to the situation of a veteran who may be getting the veterans' allowance and the pension. He may not get the benefit from this legislation unless there is an amendment to another act. However, these things can not be handled together. Each must be considered on its own merits. I have all the faith in the world in our present Minister of Veterans Affairs. I am confident that these points we are raising will not be overlooked. Whether or not they can be dealt with at this session, I believe it is a good thing to mention them and I believe that they will receive consideration.

Mr. McCleave: Will the hon. member permit a question before he resumes his seat.

Mr. Montgomery: Yes.

Mr. McCleave: When the hon. member talks about the Canadian pension commission establishing an appeal board does he visualize that there would be older members serving permanently as an appeal tribunal that is apart from those who hear the cases in the first instance?

Mr. Montgomery: Yes. That is what I had in mind. The people who hear the cases should not sit in appeal unless it were in an emergency and even then persons could be selected who had not heard the case. There should be within this pension commission a nucleus of two or three members whose job would be to handle appeals from what we now know as the appeal board. I think we are going to be obliged to come to this procedure unless the exercise of the discretion under section 70 is used a little bit more broadly or loosely or in whatever way you want to think of it. Does that answer the hon. member's question?

Mr. McCleave: Thank you.

(Translation):

Mr. Roberge: Mr. Chairman, I should like to take this opportunity to say a few words in French about the resolution introduced by the Minister of Veterans Affairs (Mr. Churchill).

This resolution is made up of three parts: the first, to provide for increases in pension to veterans; the second, to permit appeals from decisions of the former Canadian pensions board and finally, the last, to provide for certain changes in connection with the administration of the act.

At the outset of my remarks, I should like to point out that the minister who introduced this resolution has rightly commended his predecessor, Colonel Brooks. He congratulated him for all the efforts he exerted as a member of this house and as minister of veterans affairs.

He said that the former minister, assisted by his deparmental officials, had sought to improve the lot of veterans. That is true and I commend him for it.

I believe, however, that it is fitting to recall that before Colonel Brooks, there was Colonel Lapointe, Colonel Gregg and others still.

Those ministers, with support of this house and of the committee, have worked without respite to set up what is called the veterans' charter.

They have also worked over the years to improve that charter with the help of circumstances and according to changes occurring in our economic life.

There is a point, Mr. Chairman, with which I particularly want to deal, and I am happy that the hon. member for Victoria-Carleton (Mr. Montgomery) raised that point. Before proceeding, however, I should like to refer the committee to certain parts of the remarks made by the Minister of Veteran Affairs. They are to be found on page 736 of *Hansard* of December 12, 1960. Here is the statement then made by the minister:

(Text):

The pension commission is anxious to administer the Pension Act in a manner which will ensure that Canada's veterans receive in full the benefits provided by the act.

(Translation):

And further on:

(Text):

In some instances, the act and the interpretation of the act have limited the activities of the pension commission, and in the revision that is now going on it is our hope that some of the sections whch have hindered the commission from time to time may be altered so that its work may become more effective.

(Translation):

I do not know exactly what the minister had in mind when he made that statement which, you will admit, is broad enough to cover all sorts of things. But I hope that it refers mainly to possible amendments—

The Chairman: Order.

[Mr. Roberge.]

(Text):

Order. It being five o'clock, it is my duty to leave the chair in order to permit the house to proceed to the consideration of private and public bills pursuant to section 3 of standing order 15.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to section 3 of standing order 15.

PRIVATE BILLS

On the order:

Second reading of Bill No. SD-1, an act for the relief of Jean George Lipsman.—Mr. McCleave.

Mr. R. J. McCleave (Halifax): Mr. Speaker, I would ask that this bill and all the other divorce bills under these orders of private bills be allowed to stand today.

Mr. Speaker: Is the house agreeable that all of the divorce bills standing for second reading be dealt with in one order?

Some hon. Members: Agreed.

Mr. McCleave: I would ask that they would be allowed to stand today.

Mr. Speaker: I am just getting concurrence that they all be dealt with at once. Is that procedure agreed?

Some hon. Members: Agreed.

Mr. Speaker: Is the house agreeable then to accede to the request of the hon. member for Halifax (Mr. McCleave) that all of these divorce bills be allowed to stand?

Some hon. Members: Agreed.

AURORA PIPE LINE COMPANY

The house resumed, from Tuesday, January 24, consideration of the motion of Mr. Chown (for Mr. Woolliams) for the second reading of Bill No. S-2, to incorporate Aurora Pipe Line Company.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker—

Mr. Speaker: Order. I think it might be properly said that if the hon. member for Bow River speaks now he will close the debate.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in resuming this debate on the motion of the hon. member for Winnipeg South (Mr. Chown) for the second reading—

Mr. Speaker: Order. Before I recognize the hon. member for Timiskaming (Mr. Peters) may I inquire whether the hon. member for Bow River does not accede to that view. Perhaps I should hear him, otherwise it may

result in his not being allowed to speak for some time if he is put in the position of waiting to close the debate.

The situation is that the motion for second reading stands in the name of the hon. member for Bow River (Mr. Woolliams) but it was moved for him by the hon. member for Winnipeg South (Mr. Chown). Hence one or the other of them or perhaps both would close the debate if they spoke, in the strict view of the rule.

Mr. Woolliams: Your Honour, I took the position that as the motion was in my name, if I were to speak now I would close the debate. That is the position I take. I have discussed it with my colleague from Winnipeg South (Mr. Chown) and he is in accord with that view.

Mr. Howard: That raises another point, especially in the light of what Your Honour has just said. What is the position of the hon. member for Winnipeg South who moved the second reading on behalf of the hon. member for Bow River? Is he prevented from speaking again, or could he speak again on second reading without closing the debate?

Mr. Speaker: The hon. member has raised a hypothetical question but perhaps I might express my view even though the point does not have to be decided now. The rule is that members may not speak twice in a debate. I should think that if the hon. member for Winnipeg South attempted to speak twice he would still be in his role of spokesman for the hon. member in whose name the motion stands, and he would therefore close the debate. So they have to choose between the two of them which one closes the debate.

Mr. Arnold Peters (Timiskaming): Again we resume the debate on the second reading of Bill No. S-2, an act to incorporate Aurora Pipe Line Company. I am interested in this particular bill because it seems to have aroused questions in the minds of those hon. senators who spoke on it in the other place. It has raised questions in the minds of all Canadians who have read this bill in the light of the attitude which this government has apparently taken.

This bill seems to me to personify some of the faults which are inherent in our present system, particularly in relation to primary industry. What is the Aurora Pipe Line Company? If we read what was said by the mover of this motion we find it is a subsidiary organization of the Hudson's Bay Oil and Gas Company Limited. One-third of the shares are held by the Hudson's Bay Company, and two thirds of those shares are held by the Continental Oil Company which is a large United States oil enterprise. Thus, I think it would be safe to say that Continental Oil, because of the fact that it owns Hudson's Bay Oil and Gas, and because the executive officers of the Aurora Company are executive officers of the Hudson's Bay Company, is a subsidiary of one of the largest oil companies operating either in Canada or the United States.

It has been said that this bill would be referred to two or three governing bodies charged in Canada with the regulations of gas, oil and energy. One of those bodies would be the national energy board, which will be asked to issue a permit for the exportation of the condensates which are the by-products of natural gas. In addition, the Alberta conservation board is to be asked whether it regards this company as a suitable one or not.

If these condensates were not being handled in any other way there would probably be some justification for the present application, but not long ago this house set up a company called the Foothills Pipe Line Company which has under its control Pembina Pipe Lines Limited. It seems to me that though it may be necessary at the present time to issue export permits because of the lack of a Canadian market for the products, this company having been set up with a prime interest in handling these products in Canada for the benefit of Canadians, it would be in our best interest to see that the wishes of its founders are acceded to.

Mr. Woolliams: May I ask a question at this stage? These are the facts, though I have not yet had an opportunity to substantiate them—the information was communicated to me by telephone. In all probability the oil companies of which the hon. member speaks have withdrawn their applications in respect of this particular project before the Alberta conservation board. I wonder whether the hon. member has given any consideration to that?

Mr. Peters: We are very interested in this information and if it is correct I think it would have some bearing on what the national energy board might decide in relation to this pipe line. But that is not the problem. It does not really matter who gets this export permit. What really matters, in my humble opinion, is that we should be allowing this product to be exported at all before Canadian industry is satisfied and every advantage has been taken of opportunities for the establishment of secondary industry based on the primary resources. It has been said that this company only wishes to operate in a restricted field close to the United States border and

that secondary industries are already established in the United States dependent upon these particular products, for which a sale is readily available.

It might be said that the point of view I am expressing is only the opinion of the official opposition in this house, that it does not represent the opinion of hon. senators in the other place, but I would refer hon. members to the proceedings of the other house when the bill was introduced. It was introduced by the Hon. Gunnar S. Thorvaldson and in the course of his remarks he pointed out that this company is not a Canadian company, that it has strong connections in the United States and that the product would be used to the advantage of industry in the United States. He based his argument for the existence of this company on the fact that Canada is not at the present time in possession of industries which would use these particular products.

The Hon. William R. Brunt, speaking in reply to the motion for the introduction of this bill and representing, I believe, the Liberal party in the other place—

Some hon. Members: Order.

Mr. Peters: It is even worse if he represents the Conservatives. This is what he had to say speaking in the other place:

> It is my thought that this matter should be called to the attention of the Senate, for if the bill passes and becomes law and this company is set up, then starts to transport these by-products, we will have in Canada another industry which will have passed out of the control of Canadians into the hands of people who are not Canadians—in other words, it will have passed into the hands of a foreign corporation.

Then he went on to say:

> I think we should take a good look at this bill, because if it passes and the company goes into business another part of our Canadian industry will be controlled by people not residents of Canada but by a foreign corporation.

I was not aware that this senator belonged to the government party. If he does, hon. members opposite should give serious consideration to what was said by one of their senior statesmen. He had outlined in clear terms what I consider to be a fact. The time has come when we should give closer consideration to the question of establishing in Canada secondary industries to handle and process Canadian products.

There is in western Canada as well as in other parts of the country a great need for secondary industry. When developed here, these products will be just as saleable in the United States as they are when our natural resources are sent there in raw form to be processed in that country and to support secondary industry there. Parliament should be in no rush to pass this bill relating to a company which has no interest in developing Canadian industry as was the case of a company concerning which we recently passed another bill.

Aurora Pipe Line Company makes no claim about developing secondary industries. The company will take natural resources out of Canada and process them in the United States. This may be satisfactory to those who live in the immediate area where gas is produced and where there is no immediate need for the by-products of this industry but Canadians in general should give serious consideration to the question of keeping our products at home and processing them here to the fullest degree possible.

Mr. Horner (Acadia): Mr. Speaker, would the hon. member permit a question. Is the hon. gentleman's party or the new party in favour of exporting natural gas or its by-products?

Mr. Peters: I am sure the C.C.F. is. I am not in a position to speak for the new party but I am sure that like the C.C.F. it will have at heart the interests of all Canadians and will not want to export our natural products until we have derived from them for the benefit of Canadians all the advantages we can derive. I am sure both organizations are more interested in the establishment of secondary industry in Canada than in exporting natural resources.

Mr. Horner (Acadia): Would the hon. gentleman permit a supplementary question. Would that policy also apply to coal and its by-products?

Mr. Peters: I doubt, Mr. Speaker, if you would wish me to deal with the subject of the coal industry in this debate.

Mr. Speaker: Order. There is nothing in this bill about the transportation of anything other than gas or oil or other gaseous or liquid hydrocarbons. I doubt that coal is a liquid hydrocarbon. If it is, the hon. member may deal with it.

Mr. Peters: I frankly do not want to deal with the coal industry. The problems of that industry are not necessarily those of the one we are discussing. We probably will not have time to fully discuss the gas and oil industry, so we should not be distracted by attempting to deal with another.

In a publication of the dominion bureau of statistics entitled "The Petroleum Products Industry, 1958", mention is made of a survey conducted in that year. It was found that during 1958, 106,458,959 barrels of imported crude oil and 133,547,168 barrels of crude oil and absorption gasoline from Canadian wells, or a total of 240,006,126 barrels, was put

through Canadian refineries, this amounting to about 82.5 per cent of rated capacity. Of the total crude input about 0.6 per cent was imported from the United States and 43.4 per cent from other countries while about 56.0 per cent came from Canadian wells. This indicates that we are not now producing enough gas and oil for our Canadian refineries. We are importing approximately 44 per cent of our crude oil from foreign sources.

Mr. Speakman: What about natural gas? That is the subject matter of this bill.

Mr. Peters: If the hon. member wishes to make a speech we will be happy to hear it when the time arrives for him to stand up and reply. My point is we have not developed natural resources to their full potential. Canadian refineries are operating at about 82.5 per cent of their rated capacity. We are continually told we must have large export markets. This is true but we also must give thought to the question of developing our own industries. In some areas dependent on natural resources as a source of income it has been felt that some advantage can be gained by exporting our natural resources in their crude form but a great deal more secondary industry should be developed in Canada. Greater results would be realized if in conjunction with the exporting of our natural resources we had a policy under which secondary industry was developed to further process these products before sending them to market.

Mr. Speaker: Order. If the hon. member will permit me to interrupt, I have very grave doubts about the relevancy of this debate in the line which it has taken. It is true that this bill is to incorporate a private company with power to transport oil, gas and other liquid hydrocarbons but only subject to the provisions of any general legislation relating to pipe lines for the transmission and transportation of gas, so that if the house passes the bill which only gives the company a power or capacity—it does not put it in the oil or gas business—in view of the other legislation which controls companies formed for the transportation of petroleum products in Canada I would think that with such a limited purpose or effect as there is in a bill of this kind, the house would be going beyond any reasonable discussion of such a bill if it discussed the industrial situation in the country even in the context of petroleum products.

It would, of course, be relevant to say that there are enough companies in this field and we should not create even another company with the powers that this bill would give, but my point is—and I think the point is important enough to raise it—that on every bill to incorporate a private company we would not want to open a full scale debate on the industry or the economy of the country in the field in which that company intended to operate. I do not believe the house would expect to follow that course.

I do not accuse the hon. member who has the floor of initiating this irrelevant debate which began the last time this bill was before the house but I do say that the bill relates to the desirability of giving to another private company the corporate powers to enter into the petroleum pipe line field rather than to the economics of that field into which it proposes to enter. I say this because the bill only gives a corporate power and does not put the company in business. It can only enter into the business, as the bill itself says:

> —subject to—the provisions of—any—general legislation relating to pipe lines enacted by parliament with respect to the transmission and transportation of oil and other liquid hydrocarbons—

Parliament must take notice of the licensing legislation which it has already passed.

Mr. Winch: I know we all fully understand the point you have raised but may I, sir, with all respect point out that although the bill itself speaks of incorporating a company, the act would be completely meaningless unless after incorporation the company could export. Therefore, in deciding on the fundamental principle of the House of Commons and the Senate granting an act of incorporation it is obvious that after the bill goes through all the various stages before the company can carry out its function it has to export hydrocarbons, methanes, butanes and condensates of the production of the gas field. The bill is meaningless unless the company can export. Surely the principle that we should discuss is the end result after the company goes through all its procedures and gets incorporation.

Mr. McIlraith: If you desire more on the point of order, Mr. Speaker, I should like to say something. I feel that the question of the export of hydrocarbons is a matter of policy which has been settled by legislation of this parliament. It has been determined that it can be done provided that certain conditions are met, and those conditions have been embodied in legislation, namely the national energy board legislation. Whether or not that is wise legislation is not open for discussion on this bill. This bill merely asks the house to decide whether certain persons interested should have the corporate capacity and be created a corporation for the purpose of then exporting, if they meet the law. The law as to whether or not they are entitled to export is determined by other legislation that has already

been passed. With great deference I submit it is not open, however much we may desire to do so, to argue now whether that was a right policy or a wrong policy. It is only open to us to argue on the suitability of those applicants to have corporate capacity.

Mr. Winch: For that purpose.

Mr. McIlraith: Corporate capacity for the purpose, but the policy is not open to be argued at all, because that has been settled and is governed by other legislation which is not before the house on second reading of this bill.

I did not want to interrupt the hon. member, but I think the debate—and I am not saying this in criticism of the hon. members—has been ranging away beyond the area that is permissible in the particular bill before the house at this time. Many of the matters that have been argued are matters of broad general policy which have no application to the bill before us to incorporate a private company.

Mr. Howard: On the point of order, especially in view of the remarks of the hon. member for Ottawa West who has just spoken, it seems to me that if we follow the suggested course of action we would be going completely contrary to the rules of the house, as I understand them as they apply to private bills. These rules have been in existence for quite a few years since I have been here and in many years before that. If we follow that reasoning, Mr. Speaker, it would lead us purely and simply to consider the company itself without any consideration as to its relationship with the economy and the industry within which it will function, or anything of that nature.

I do not think we should attempt now to reverse the precedents that have been followed in this house for many years. In the past we have given consideration to the effect of a particular bill upon the industry within which a company would be functioning after it became incorporated. In this case, we should give consideration to the industry within which this company will function after it is incorporated and passes the other obstacles of the national energy board, and so on.

It was not the hon. member for Timmins (Mr. Martin), as you yourself mentioned, who initiated this type of discussion; it was the hon. member for Calgary South (Mr. Smith). The hon. member for Winnipeg South (Mr. Chown) moved the motion on behalf of the hon. member for Bow River (Mr. Woolliams). The hon. member for Vancouver South (Mr. Broome), along with the hon. member for Winnipeg South, initiated the discussion of the relationship of this company, after incorporation, with another company already incorporated, or two other companies, and with the industry itself, in an attempt to determine whether it is advisable or not at this time to give endorsation to the incorporation of this particular company. I think we must be allowed to follow that general relationship between the company we are now considering and others and especially its relationship to the industry and to other companies; otherwise, we shall just be blindly endorsing every application that comes before parliament without considering the effect it will have upon other sectors of the economy, including instances of incorporation by acts of this parliament itself.

With deference and respect, sir, I suggest that in this instance the debate should be allowed to continue on the same basis as have similar debates in the past and that we should be permitted to take into account the effect of this incorporation upon other parts of the same industry and upon our economy.

Mr. Speaker: I want to thank hon. members who have assisted me with the problem which I raised myself as a point of order. I think it is clear, and hon. members will agree, that what we are debating is the principle of the bill before us on second reading, not the details. As I see it, the principle of the bill is whether this group of individuals petitioning parliament shall be given corporate capacity. I see no principle other than this involved in this bill, whether this particular group of individuals shall be given corporate capacity.

Now, from the giving of that corporate capacity under this bill when it is passed other consequences may flow. That is true; but whether they will flow or not is purely conjectural. This bill could be passed and nothing might follow. If anything follows it will be in accordance with licensing legislation which has been passed by this house in which this house has already declared its policy. For this reason I think the debate has gone beyond reasonable bounds in discussion of the principle which is really at stake, namely whether this group shall have corporate powers.

I can see the difficulty which arises because the hon. member who sponsored the bill went on to expound what the company's intention would be after it had been incorporated, and that put in issue some of the things that the hon. member is talking about. Therefore, I am not disposed at this point to say that there shall be no discussion of the probable effects of the activity of this company in the context of the oil transport industry; but I do say that ordinarily it is not a necessary part of the discussion of such a

principle except to say that there are enough companies in the field, and this particular company should not be incorporated. I hope I will not do any injustice to any member in asking that the discussion be restricted to the plans of this company as declared in the debate and not to a general debate on the economics of the oil industry.

Mr. Peters: Mr. Speaker, I am in particular agreement with one thing you said, namely that if this bill passes and nothing else comes of it we shall have a pipe line coming from some place and going nowhere for no particular reason. I do not want to question the argument because I think it is a sound one. However, I should like to read a part of the statement made by the sponsor of the bill in the other place. He referred to a press release that appeared in a number of newspapers, which release was in these words:

> Hudson's Bay Oil and Gas Company Limited has filed an application with the Alberta government seeking permission to construct a 41 mile pipe line for transportation of unrefined condensate from gas fields in southwestern Alberta to the international border.
>
> The company's proposed line would cost an estimated $1,700,000. It would consist of 11 miles of 4 inch pipe from the Waterton-Castle river area to the Pincher creek field and 30 miles of 8 inch pipe from the Pincher Creek field to the international border near Carway. Maximum capacity of the line would be 32,600 barrels daily, and early movement would range from 4,000 to 8,000 barrels daily.
>
> The pipe line would connect at the border with a pipe line system being constructed by Continental Pipe Line Company, the wholly owned subsidiary of Continental Oil Company. Continental Pipe Line is constructing a pipe line from Cut Bank, Montana, via Billings to Platte Pipe Line Company's Byron station near Powell, Wyoming. It is planned to extend this system from Cut Bank to the international border to connect with the proposed Hudson's Bay system.

It is indicated here, Mr. Speaker, that this line will serve no Canadian purpose at all, that its only purpose is to connect two existing gas fields in Canada with a United States distribution system already in existence not far from the border and from which a line is already being extended to a point on the international border. I believe this raises immediately the question of whether this line should exist at all. I am of the opinion that it should not exist at this time or at any time until we have explored all the possibilities of establishing in what appears to be a new field in Canada the handling and processing of these condensates from the washing of the natural gas industry.

I have been told that if we were to establish in Canada an industry which would handle these condensates we would have a number of secondary industries established for the initial processing of the by-products, and this might then warrant eventually a line from these secondary industries to handle those by-products which could not be used in Canada. We might then find it in our interests to export to the Continental Oil Company of the United States. We might find it advantageous at that time to construct a line then solely for the purpose of joining our producing areas to the United States market through their distribution systems.

I believe that if we build this line at the present time we will be defeating ourselves and doing away with the opportunity to establish secondary industries in that field to use the by-products which would be available locally and which would have to be processed in that area if this export transmission line is not constructed. They would have to be processed in that area and we would be able to establish further secondary industries.

Mr. Nugent: On a point of order, Mr. Speaker, in following his present line I think the hon. member is flying right in the face of the ruling you have just made. He is continuing as though you had not tried to restrict him to the point we are concerned with in this debate, and I would respectfully suggest that he should keep in line with the ruling you have made.

Mr. Speaker: I am not sure whether the hon. member who has the floor may not be in order in this discussion by way of a reply to what was said by the hon. member for Winnipeg South in introducing the bill. Apart from that, I agree entirely with the point of order. The passage of the bill does not establish the pipe line which the hon. member is discussing and it does not bring about the situation which he is discussing. The passage of the bill brings about nothing except a corporate entity with the legal capacity of a natural person, in fact, a capacity which a natural person would not have under our legislation because it must be a corporate entity which applies for the further licences that are necessary before any of these matters which the hon. member for Timiskaming is discussing could come about. I think the hon. member should restrict what he has to say to an appropriate reply to what was said by the sponsor of the bill and beyond that deal only with the principle of whether this proposed corporate entity should be given the capacity which the bill proposes.

Mr. Peters: Mr. Speaker, I have been trying to relate my remarks not necessarily to what has been said in the house as to the purpose of the bill and the reason for establishing the company but rather to what was

stated to be the intention by the hon. senator who introduced the bill in the other place.

Mr. Speaker: I think the hon. member would be out of order in following that course because to my mind the principle stated by the hon. member for Ottawa West is the correct principle, and apart from the course the debate has already taken I would not have allowed the hon. member to continue. I do not think it is in order for him to set up a case from the other place and then try to use it when it would not be relevant if that same case were set up by a member of this house.

Mr. Peters: Mr. Speaker, in closing I should like to say that I am concerned about the fact that although the bill was studied by a committee in the other place no minutes of the proceedings of that committee have been made available for our perusal and study. I hope that this will not happen again. I am also concerned with what appears to be the opinion of Senator Brunt that if the bill passes—I am not saying it should not—two thirds of the shares of the proposed company will be owned by the Continental Oil Company of the United States, a foreign corporation. I agree with his view in that regard. If we are setting up this entity that you have mentioned, Mr. Speaker, that being the only thing we are actually doing, I say that this entity is not acceptable because we would be establishing a company controlled in the United States and having the avowed purpose of not working to establish industry in this country. For that reason I move, seconded by the hon. member for Timmins (Mr. Martin):

That bill No. S-2 be not now read the second time this day but that it be read this day six months hence.

Mr. Howard: Mr. Speaker, perhaps initially I might raise a point of order in that because of circumstances we may be assisted immeasurably in the consideration of this matter as a result of the moving of this amendment. In my opinion the amendment now before the house would allow the hon. member for Bow River to comment and perhaps he might be able to clear up some of the difficult points before us and thus bring about the early dispatch of the bill. Now that we have this amendment before us perhaps that would be an easy way to dispose of the bill. I only make this suggestion by way of a point of order.

Mr. Speaker: The hon. member for Bow River has not risen so the point does not arise.

Mr. E. J. Broome (Vancouver South): This amendment gives me a chance to participate in the debate again. I had certain complaints to make earlier in the debate and I have checked into these matters further. I find that although my previous criticism to the effect that we did not have sufficient information still stands, the sooner we pass this bill the better. I believe that the hon. member for Timiskaming (Mr. Peters) is doing a disservice to the house by his statement and to the industry he is maligning. I do not want to be called to order for committing the same offence.

However, I should like to say that the effect of the passage of this bill will be to increase employment in western Canada. It will increase plant capacity in the way of facilities for scrubbing the gas. We do know that with our exports of gas which have been approved we will have more of these condensates than can possibly be used. It would be the same position if we said we should not export newsprint because we might want to have another newspaper. I would suggest, Mr. Speaker, that the sooner we can clear this bill from the order paper by giving approval to this amendment which will enable the bill to go to a committee, the better. We can then find out the answer to one question that still bothers me, and that is why this company has not followed what I believe to be the intent of the national energy board by making a public subscription of its stock to enable general Canadian participation in this venture.

Mr. Frank Howard (Skeena): I have just one comment to make arising out of the remarks made by the hon. member for Vancouver South (Mr. Broome). I think it is extremely unfortunate and unkind when the hon. member for Timiskaming (Mr. Peters) suggests that there is not sufficient information during the initial stages of this bill to enable us to deal with it, when he approaches this question from the point of view of protecting Canadian interests, for the hon. member for Vancouver South to get up and level accusations against him. It was extremely unkind and unwise for the hon. member to take that course of action. It does not promote the type of comradeship that should exist between members of the house in considering matters of this nature.

I can easily understand, Mr. Speaker, that on matters of government policy there might be harsh differences of opinion because so many of these policies are foolish. However, in so far as private bills are concerned, in which government policy is only incidentally involved, I do not believe there is any need for this type of comment. I do not want to follow that line of discussion, but I thought it was appropriate to make a few comments of this nature.

Apparently we could have been assisted immeasurably if the hon. member for Bow River (Mr. Woolliams) had put forward in some detail the information which he has at his fingertips and which, apparently, was not available to the house a week ago. He did this, I understand, under the guise of asking a question of the hon. member for Timiskaming. Perhaps this is one thing that needs to be cleared up. As I interpret it, and the hon. member can correct me if I am wrong, he informed the house that the Foothills corporation had withdrawn its application before the Alberta natural gas conservation board. If this is so, and I have no reason to doubt it, it is completely new information. Individual members may have had knowledge of it, but it puts the whole question in a different perspective.

The last time I checked on this aspect of the matter, it was my understanding that the Foothills company or the Pembina people were scheduled to appear before the Alberta board today, February 7. This was the last information I received. Now some doubt has been cast on this fact, but merely by way of a query and not by way of a definite statement.

Mr. McIlraith: Mr. Speaker, I should like to rise to a point of order, at the risk of spending a good deal of time on points of order. I would refer Your Honour, first, to citations 482 and 483 in Beauchesne's Parliamentary Rules and Forms, fourth edition. I shall read what I believe are the relevant parts of these citations, but I give the reference to them in case anyone wants to pursue the matter.

Mr. Howard: Does this have to do with what I was saying?

Mr. McIlraith: It has to do with that very point. This citation refers to the second reading of a bill as follows:

> There is, however, a distinction between the second reading of a public and of a private bill, which should not be overlooked. A public bill being founded on reasons of state policy, the house, in agreeing to its second reading, accepts and affirms those reasons; but the expediency of a private bill, being mainly founded upon allegations of fact, which have not yet been proved, the house, in agreeing to its second reading, affirms the principle of the bill, conditionally, and subject to the proof of such allegations before the committee.

Citation 483 reads as follows:

> The house does not profess to decide upon the second reading as to the truth or otherwise of the allegations of fact upon which a proposed bill is based, and in conceding a second reading to a private bill, the house is regarded as merely giving its sanction to its general principle on the hypothesis that the committee to which it is afterwards referred finds those allegations proved.

Then it goes on to say that it is usual, therefore, to allow a second reading, except when the bill enunciates some principle which the house is not prepared to affirm. My point is that the hon. member is seeking to allege here certain facts in connection with the persons seeking incorporation and also certain other facts which are in doubt concerning other pipe line companies. These matters of fact can be dealt with properly only in the committee. They are not matters that can be inquired into on the second reading of a private bill in the house because there is no machinery for dealing with them, and with the whole matter that is now before us. Whether we should agree to the proposed incorporation would be a matter of fact to be determined in the committee and, therefore, for these reasons I respectfully submit the hon. member is going beyond what is permissible at this stage.

Mr. Howard: I would only comment on that by saying that the practice of the house itself, since I have been here, has misled me. It has been completely inconsistent with what the hon. member for Ottawa West (Mr. McIlraith) has said. If the citation to which the hon. gentleman has referred is correct—I can only say it has been the practice on each occasion to go into these questions if an hon. member desired to participate in such a debate on a private bill—and if that is the rule the house desires to follow, I think perhaps it would be unkind and unfair to some members, especially in view of what other hon. members have said before this matter was raised.

Mr. Speaker: I accept the authorities which have been cited from Beauchesne's fourth edition. I think it is a sound statement of principle. I also recognize that the practice in debating private bills has often allowed a wide-ranging debate without objection from the house. That fact, of course, does not alter the principle. The fact that the house goes beyond what is a proper debating course without objection being taken does not establish a new rule. That result would not follow unless exception is taken and the point is raised and dealt with. I therefore think that the hon. member should not rely too heavily on debates in which he has taken part or which have occurred in the past.

I have been looking at the previous discussions of this matter in order to see how far the sponsors have opened the facts as expressed by the people who are applying for incorporation. It was because of that initial discussion that I did not feel I could properly stop comment on what had been raised earlier in the debate on behalf of the sponsors. I still feel that way about the matter, although

I recognize the fact that the discussion has largely been ranging beyond proper debate on a private bill the principle of which is quite limited in that it only give corporate capacity and does not do any of the things which hon. members have been discussing.

Mr. Howard: From what you have said, Mr. Speaker, I gather that it is all right to stretch the rule a little bit as long as you are not caught or as long as no one objects to your doing so. It is my error in this regard, Mr. Speaker, in not paying stricter attention to what the rule stated but rather paying more attention to what went on in the house and taking one to mean the other. However, I find that is not exactly the way in which things operate.

In view of the point of order that was raised and dealt with, perhaps I might relate some of my remarks specifically to comments which have been made by other hon. members in a preceding debate. In this regard I would refer to page 1368 of *Hansard* at which point some remarks appear in the name of the hon. member for Acadia (Mr. Horner). Almost at the start he is incorrect, of course, and I should like to clear that matter up. He pointed out as follows:

> The last time this subject was debated hon. members of that group—

Meaning us.

> —indicated that they wanted more information on the subject, that they needed certain particulars dealing with the export of the product concerned, yet today they moved to close the debate so that it could not be re-opened in this house.

This is just not so, Mr. Speaker. He goes further and makes a similar comment to the effect that the particular move we made a couple of weeks ago was one of attempting to close the debate so that it could not be re-opened in this house. That, of course, is not a factual statement; it is not in accordance with the rules of the house and it is not in accordance with the true state of affairs existing. Whether the individual amendment, which was one to adjourn the debate, had passed or had not passed, the matter could still have been re-opened, as is now being done, and it would still come up for consideration in its normal way.

Mr. Speaker: Would the hon. member give me that page reference again?

Mr. Howard: Certainly, Mr. Speaker. It is page 1368, the second or righthand column just following the listing of the names on a division.

Mr. Horner (Acadia): You were doing practically the same thing that you are doing now.

[Mr. Speaker.]

Mr. Howard: Obviously my friend the hon. member for Acadia is out of time and out of place. If he had said these things today, he would have been correct. But as the situation stands, he said them two weeks ago. Of course, it is not my fault that he invariably gets things mixed up.

Mr. Horner (Acadia): Not as mixed up as you.

Mr. Howard: Mr. Speaker, I do not want to get engaged in a cross-fire conversation with my friend the hon. member for Acadia. We know the irritating things he says from time to time; and it will merely mean that we shall be engaging in a debate that is not germane to the subject matter before us.

Mr. Horner (Acadia): Anything to kill time.

Mr. Howard: I am afraid that my hon. friend would like to kill a great many other things but fortunately he is restrained from doing so. I will withdraw that remark about my friend, Mr. Speaker. As reported at page 1369 of *Hansard* the hon. member for Acadia points out something about the details and he states this:

> Some hon. members are bothered by the lack of full details. We have established a national energy board to look into the questions of Canadian ownership in these companies, the feasibility of the markets the companies wish to develop and explore and whether the product can be made readily available without injuring established pipe line companies and so forth. Certainly we should allow the energy board to do the job for which it was established.

This is a commendable approach to take, of course. Parliament establishes commissions, boards and agencies and gives them certain authority, as was done in the case of the national energy board and then expects a certain course of action to be followed by those boards and commissions within the confines of the authority given to them. However, I think it is dangerous for this or any other parliament to give up blindly, holus-bolus, any sort of thing to the national energy board or to any other board merely because we established them and gave them a certain authority to run things. This blind acceptance of their ability is one of the quick ways which is leading us into the bureaucratic control of things in the country.

I think parliament must examine these matters in the light of how they will affect others and how the corporation itself will function, regardless of the fact that there may be another public body before which the corporation, if it is established, will be obliged to appear in order to get certain permission to do certain things and before which it will be obliged to prove certain facts.

I am not like the hon. member for Acadia who wants to relinquish all rights and powers—

Mr. Horner (Acadia): Do not put words in my mouth.

Mr. Howard: I would not dare to put words in the hon. member's mouth or anything else for that matter.

Mr. Horner (Acadia): The matter can still be referred to a committee.

Mr. Peters: Why not help him take his foot out of his mouth?

Mr. Howard: If I may say so, Mr. Speaker, the hon. member gets his foot in his mouth regularly. I personally admit that I was off the point, but I am continually invited to get off the point by the irresponsible comments of hon. members on the other side of the house while sitting in their seats.

Mr. Speaker: Order. It being six o'clock the house will revert to the business which was interrupted at five o'clock.

PENSION ACT

AMENDMENTS INCREASING PAYMENTS, PERMITTING APPEALS, ETC.

The house resumed consideration in committee of the following resolution—Mr. Churchill—Mr. Hamilton (York West) in the chair:

That, it is expedient to bring in a measure to amend the Pension Act to provide for increases to disabled veterans and their dependants; to permit payment of supplementary pensions in certain cases; to permit appeals from decisions of the former board of pension commissioners; and to provide for certain further changes in connection with the administration of the act.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Roberge: Mr. Chairman, when I interrupted my remarks at five o'clock, pursuant to the rule which says that private bills must be discussed between five and six o'clock, I had just referred to some remarks made by the hon. member for Victoria-Carleton (Mr. Montgomery), and I was trying to relate his words to a statement the Minister of Veterans Affairs (Mr. Churchill) made on December 12, 1960.

In that statement that at five o'clock I qualified as quite broad and which I could now call omnibus, I understood—I hope I was right—that there was some possibility that an amendment could be made to section 70 of the act. This section deals with the benefit of the doubt to be granted to veterans who claim a pension and I would like to put the text on record. Section 70 reads as follows:

(Text):

Notwithstanding anything in this Act, on any application for pension the applicant is entitled to the benefit of the doubt, which means it is not necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions all reasonable inferences and presumptions in favour of the applicant.

(Translation):

The hon. member for Victoria-Carleton told us a while ago—and I hope I did not miscontrue his words—that it was almost impossible to improve the wording in order for the commission or "the body adjudicating on the claim" to be in a position, because of a new wording, to make better decisions. It is evident that veterans—because in most cases claims are examined by veterans—use their discretion, as they are allowed to do under the law. But there are some cases where we, who had to deal with similar cases, feel that they do not exercise discretion as they should.

The hon. member for Victoria-Carleton said that in his opinion it was impossible to improve the act. It is my humble opinion that it is always possible to improve an act and the Minister of Veterans Affairs should, with the help of his officials—if he has not already done so—undertake a special study of section 70 in the light of the cases which were submitted to the Canadian pension commission, and try at least to find a new formula or rewrite the law so that veterans be given full justice.

Mr. Chairman, I think of at least two cases at this time. The first is the case of a veteran of the 1914-18 war, who fought in the trenches with the formation now called the Royal 22nd Regiment and who, after spending days and nights and whole weeks in insanitary trenches, as they all were, is now suffering from rheumatism and other malformations but does not receive any pension. Why? Because the physicians who testified before the pension commission of the time could not state whether the rheumatism from which he was suffering at that time and from which he is still suffering today was really due to his war service hardships. Well, in my humble opinion, it is normal to assume that the disease which then affected him and still continues now was due to his war service. And yet

he could not get any pension. That is a case where, I think the party in question should have been given the benefit of the doubt.

I am thinking also of another case which comes under subsection 2 of section 13 of the act since it has to do with peace time service. That young man who is now dead was suffering from a disease whose origin is now the physicians could not establish. Well the physicians cannot state whether the disease has resulted from his peacetime service or from other causes.

Well, if doctors cannot say that the illness is due to some other causes, I believe the widow of this young man should have received benefits, if he was otherwise entitled to a pension. This case is still pending and I hope that following my remarks, the minister or his officials will decide to bring in a new formula regarding section 70 of the act, so that dependents of deceased veterans might receive the benefits they are entitled to.

Mr. Chairman, our Criminal Code, relying on the theory of the benefit of the doubt, states that the accused is considered innocent until proven guilty. I believe the same should apply in the case of the benefits to be paid to veterans as well as to those who devote their energy and their health to the service of our country, both in time of peace and of war. Really, they should get the benefit of the doubt when it comes to finding the cause of the diseases they could have caught during their service either in time of peace or war.

Those are the main remarks I wanted to make on this matter. I am convinced that the Minister of Veterans Affairs, himself a veteran, will give them kind consideration. There is no doubt that our veterans, those young men who made the sacrifice of their life or their health for the defence of their country, are entitled to our consideration. There should be no party politics involved in this house or in the veterans affairs committee on this matter. We all want to cooperate for the welfare of our veterans.

(Text):

Mr. Broome: Mr. Chairman, because of the remarks made by the hon. member for Vancouver East I feel that I should place on the record at this time a part of the statement made by the present Minister of Veterans Affairs when he referred in this house to the record of accomplishment of this government under the previous minister as reported at page 734 of *Hansard* of December 12, 1960:

During Colonel Brooks' term of office $47½ million was added by the consent of parliament to the amounts already being received by our veterans in disability pensions, war veterans allowances, increases to widows and dependent parents, educational assistance to children, and increases for hospitals. Under Colonel Brooks' guidance the house increased the basic rates for war veterans allowances and raised the ceilings for permissible earnings. Residence requirements for allied veterans were lowered from 20 to 10 years; veterans with a year's service in the United Kingdom became eligible for allowances; that is, veterans of world war I. Equity in recipients' homes was raised; allowances may now be paid to veterans living abroad who had 12 months' prior residence in Canada; loans under the Veterans' Land Act were increased, as well as home construction loans.

The minister went on to point out:

From world war I there are now approximately 240,000 survivors. Of that number approximately 49,000 are pensioners; slightly over 25 per cent of the total number of survivors of the first world war. The veteran survivors of the second world war number 826,000, and of that number somewhat over 100,000, or slightly over 12 per cent, are pensioners.

At the present time some 5,000 children of world war I pensioners and over 160,000 children of world war II pensioners are receiving assistance.

In the standing committee on veterans affairs set up by this government I have heard it said by delegations who have appeared before us that this government has done more for veterans in the three years it has been in power than had been accomplished in any previous period of time. That is not to say that some of the points raised by the hon. member for Vancouver East should not concern us at this time just as much as they concern him.

As was pointed out by the hon. member for Victoria-Carleton, the chairman of the standing committee, we are concerned about the benefit of the doubt section. Let me quote briefly from a statement contained at page 10 of the brief of the Canadian Legion presented to the government on December 12, 1960:

Nearly 50 per cent of cases heard at appeal in the fiscal year 1958-59 were successful.

It is inconceivable that of the number of cases turned down after the first hearing half of them should have been allowed on appeal. It seems to me the benefit of the doubt is not being given to applicants. I support what the hon. member for Victoria-Carleton says to the effect that it is difficult to express in words what a commission shall do. You must pick good men and leave it up to them. Perhaps their hands may be tied in certain ways.

An amendment should be introduced to this section and according to the statement

of the minister something is going to be done in this respect. Speaking in this house on December 12, 1960 as reported at page 736 of *Hansard*, the minister said:

> In some instances, the act and the interpretation of the act have limited the activities of the pension commission, and in the revision that is now going on it is our hope that some of the sections which have hindered the commission from time to time may be altered so that its work may become more effective.

Each of us will have to place his own interpretation on the words contained in that paragraph. We will not know what will be accomplished until the bill comes before us. I trust that some improvement will be brought about with respect to section 70. I also wish to refer to a statement in the Canadian Legion brief respecting conditions not recorded on enlistment:

> The Legion has on record cases in which the pension commission has pointed to the lack of record of a disability on discharge and has ruled that in view of this it must be accepted that in fact there was no disability present at this time. Why then should not the commission be bound by enlistment examinations? The commission rules a condition to be of a pre-enlistment nature and then draws a totally unwarranted conclusion that there was no aggravation during service in many cases where there is a disability recorded on discharge and none on enlistment.

This problem and this section of the act are linked together with the benefit of the doubt section.

We have heard a lot about the firefighters and foresters. The hon. member for Vancouver East was most eloquent in speaking of this group of people who went overseas and performed a very worth-while function but in my opinion the forgotten people in terms of our veterans legislation are the merchant seamen. Coming from a coastal city I am keenly interested in this group. Knowing that the merchant navy suffered over 25 per cent casualties and that the provisions in the Civilian War Pensions and Allowances Act are very limited in scope it seems to me our merchant seamen deserve better treatment. I sincerely hope that the merchant seamen who have appeared year after year before the veterans affairs committee will somehow or other be brought under the provisions of those acts which now apply solely to veterans.

There are other problems which are of a technical nature and which could be corrected at very little expense. I know that recently in Vancouver the minister spoke to a meeting of some 400 legionnaires representing, I would guess some 15 branches, during the afternoon. I know he also had different meetings with officials from various Legion branches who came up and discussed their problems with him. I know the minister was most sympathetic to them and will try to do what he can to bring about at least some of the changes which have been requested.

I might mention that some of these changes have to do with the regulations which limit the equity that a widow may have under the War Veterans Allowance Act on the death of her husband. I realize that this is not under discussion at the present time but it is bound up in this whole matter of veterans pensions. For instance, I know a person who was told she was $500 over the amount allowed. Her husband was a recipient of war veterans allowance. He died and as a single person she has too much money to the extent of $500 to qualify. When you consider that $2,000 is the top limit allowed you can see that it is not too much to take care of those extraordinary costs which are incurred at a time of sickness or to make major repairs to a house, and so on. But she has to get rid of this amount, and it seems to me to be a rather stupid bureaucratic regulation. It could be changed without amendment to the act.

There is another matter to which I should like to refer. Last year this government permitted pensions to be paid to veterans outside of Canada; but under the regulations, after having qualified to receive a pension outside of Canada, if the veteran dies his widow and children, if there are children, must return to Canada and live in this country a year before they can go back to wherever they had established themselves. This seems rather ridiculous to me. It is something that should never have been put in the regulations and it should be changed.

I do not want to take up too much of the time of the committee but I do believe that this government has more veterans than any previous government had, both backbenchers and members of the cabinet. This government set up the standing committee on veterans affairs. At least 90 per cent of the members of that committee are veterans. I do not say this is a good thing. I am one who believes that there should be a larger number of non-veterans on this committee. Some hon. members may think that if we had a committee dealing with medicine we should have only doctors on that committee. There is no reason why all the members of this committee should be veterans. The committee should have representatives from all sides of the house, regardless of whether they are veterans or not.

This committee has done a good job and this government has done a good job in regard to veterans legislation. We must never forget

the debt we owe to the veterans of world wars I and II. It is something that we can never repay, but the requirements of this group of citizens must not only be considered in relation to the requirements of all other groups, but also taking into due account the tremendous service they have given to this country and what we owe these men and women. However, we still must legislate with justice to all. I believe this government has done this.

Generally speaking, we may say that veterans legislation is something on which we do not draw party lines. All members of the veterans affairs committee speak, not as members of different parties but as parliamentarians with the best interest of veterans at heart. But if veterans legislation is to be thrown into the political field then this government and this party can stand on their own feet and show a record that is second to none. This party can show that it has done more for veterans than any other party has ever done; this party can show that it has carried the torch, that we have kept faith. I suggest to you, Mr. Chairman, that it would be very ill advised on the part of the opposition parties to challenge us on this phase of our program.

Mr. Granger: Mr. Chairman, I should like to endorse the remarks made by the hon. member for Burin-Burgeo who spoke for all the Newfoundland members on this side of the house. I should like to congratulate the minister on his appointment and to thank him and his predecessor in the department for the courtesy and promptness with which they have dealt with the problems I have had occasion to send to them from time to time. The importance of the resolution before the committee is, I am sure, appreciated by all hon. members. The debt owed by the nation to its veterans is, I feel quite sure, completely understood and I will not presume to comment further on it or enlarge on this theme.

Beneficial measures designed to help the veterans must, of course, have our approbation. However, I feel that I should mention the forestry unit from Newfoundland which served overseas during world war II. Their desire is to be given the same treatment as is accorded to members of the Canadian forestry corps.

It has been pointed out by members of the forestry unit that they did not wear His Majesty's uniform but they did work side by side with the Canadian forestry corps, and many of them did serve in the home guard in the British Isles. I know that some of those men today are ill and in need, and the only assistance they can get is from welfare sources. I do not think these men should be the recipients of charity and I hope that provision can be made to bring the members of the Newfoundland forestry unit under the act and that arrangements can be made to have them participate in veterans benefits.

I should also like to ask for consideration for the merchant marine, the rescue tug service and the fire fighters. The reference made to the status of Newfoundland servicemen by the hon. member for Burin-Burgeo is one which really deserves immediate attention. Under the law, Newfoundlanders became Canadians when Newfoundland entered confederation. Not only that, but it was clearly specified that their status was to be as if they had been always Canadians. For instance, if a Newfoundlander were asked to state the country of his birth he would have to say Canada although he was born in Newfoundland before confederation. Although we entered confederation in 1949 we have always been Canadians. That is the law. It does seem strange, therefore, that there is still a difference in the status of Newfoundland veterans vis-à-vis Canadian veterans. It just is not consistent. It is wrong and it is a wrong that should be righted.

There is another point I should like to mention. In marginal cases when decisions are being made as to whether the veteran deserves to receive benefits, the benefit of the doubt seldom is given to the veteran. At least it seems so to me. I think this is also wrong. The very spirit of the administration of veterans affairs should be to give the benefit of the doubt to the veteran. Imponderables which it is impossible to pin down as facts are often associated with veterans requests. In such circumstances, rather than risk an unjust decision which can leave a veteran in need or without medical aid it seems to me that it is the fair thing and the wise thing to "let mercy season justice".

Mr. MacRae: Mr. Chairman, I should like to speak very briefly on the resolution. I realize there are many other hon. members who wish to speak and none of us wishes to delay the implementation of this legislation. Because this is the first opportunity I have had to do so, I should like to compliment the Minister of Veterans Affairs on the assumption of his portfolio. His service in the two world wars of this century, in the first one as a very young man and in the last as the commanding officer of a fine regiment, and his deep understanding of the problems of his fellow Canadians have fitted him for this most important of portfolios and we wish him every success.

I should also like to compliment the parliamentary secretary to the Minister of Veterans

Affairs upon his appointment. Those of us who have worked with the hon. member for Saskatoon in recent years realize how fair-minded, industrious and conscientious he is and I personally wish him well as I am sure we all do.

It has been said that Canada's veterans' legislation is second to none in the world but then that is only as it should be. Though I may perhaps be disagreeing slightly with one hon. member on my own side of the house, it seems to me that our veterans legislation is a tribute to all those in all parties who have served in previous parliaments because over the years members of all parties have tried to make our veterans legislation the best that it possibly could be, and that is as it should be.

In the last 62 years Canadians have gone forth four times from this country to fight our wars, the Boer war, the two great wars and Korea. Their service and sacrifice have done more than anything else, it seems to me, to raise us to the honoured place that we hold in the world today, and we do hold an honoured place. We owe a great debt to our veterans and to the dependants of our veterans, one which in many cases money can never repay.

I can well remember half a dozen or more years ago attending a Remembrance Day service at the national war memorial here in Ottawa. That year a change was made in the service from what it had been in the years before. A mother was asked to come on November 11 and place a wreath at the memorial on behalf of those mothers who had lost sons in Canada's wars. I believe the idea was that of the Very Reverend Dean Anderson, at that particular time dominion president of the Canadian Legion. I should like to give credit to him for it if indeed it was his idea. On this particular day a mother from Saskatchewan who had lost three sons in world war II, two boys in the air force and one in the army, took part in the service. As she stood there after placing her wreath I do not think there was a dry eye among the thousands who were watching. There is not enough money in the world to pay that mother or any other mother for the lads they gave to fight for this country.

The last revision of the Pension Act was in 1957, a welcome and generous revision, but I feel it is time that the act should be revised again, as is it being done. Civil service salaries have been raised and the pay of the armed forces has been increased. I believe and I am sure we all believe that this measure to increase veterans pensions and the pensions of dependents will be welcomed everywhere. It seems to me that the editorial pages of our newspapers mirror the thoughts of Canadians. The front pages are set up mainly to sell newspapers but the editorial pages usually tell us the truth. I should like to refer to an editorial in the Fredericton *Gleaner* of December 14, 1960, headed "Disabled War Veterans", which reads as follows:

> If there is one thing Canada can afford to do it is to reimburse her disabled war veterans for the hell they endured in the two global wars of this century. Debate has started in the commons on government legislation to boost their pensions. We hope it will not be prolonged, that the measure will be passed into law without delay.
>
> Canada's war veterans are entitled to a decent standard of living. They gave their arms, their legs, their eyes and suffered fearful wounds when duty called them to the colours. Now, in many cases, they are unable to earn their livelihood as whole men can. Canada should not hesitate in doing her duty to them.
>
> A moment's reflection is all it takes to realize that, were it not for these valiant soldiers, sailors and airmen, Canadians might not have the privilege of debating their country's problems at all.

One criticism we sometimes hear is that some veterans is getting a pension and does not deserve one. Perhaps that is true. Those of us who were in the services know that there were always fellows around who did not seem to be very much good. They were no good before they went into the services and they were no good as soldiers, sailors or airmen. Having worked with some of them after the war in the Legion and later as a member of this house it is apparent that they are no good now either. Perhaps some of them are getting pensions. That is possibly true. It has always been the policy of the pension commission and the war veterans allowance board over the years to lean over backwards in awarding pensions so that some deserving man will not be left out.

We hear a great deal of criticism about the "benefit of the doubt." My own personal feeling is that if there is any doubt at all the veteran does get the benefit of the doubt. I feel that Mr. Anderson and the pension commission and Colonel Cromb and the war veterans allowance board are bending over backwards to give the veteran a fair break every time.

When we read the *Legionary* we often see pictures with a caption saying why disability pensions are paid. I should like to tell hon. members very briefly about a case before I finish. It concerns a member of this house. He led his company of the North Nova Scotia Highlanders on D-day across the beaches of Normandy and then through some of the terrible battles that followed. Finally one day in the fields of Normandy a shell landed and shrapnel shattered his arm. His arm was hanging by a piece of muscle and he could not leave it like that. He asked his batman

who was near him to cut it off for him but the man could not. I can see why he could not. So this officer had his batman open his clasp knife and he performed his own amputation above the elbow. Even after that he continued to lead his company in action until he finally collapsed from pain and loss of blood. He lay there for most of the day until he became unconscious. After being found he regained consciousness three days later having been given constant transfusions of blood and plasma. He is one of those who does not feel that this country owes him a living. By the way, I am speaking of the hon. member for Colchester-Hants. I think he is an example to all Canadians. He does not feel that this country owes him a living.

He has said more than once that all any veteran's pension should do is to compensate him for what he has lost. It is not intended to keep him completely, but it is intended to compensate him for what he has lost. I know that the people, not only in my own constituency but in the whole of Canada, will urge our very able Minister of Veterans Affairs and our very able government to be as generous as possible to the veterans and the veterans dependants of this country.

Mr. Herridge: Mr. Chairman, it was not my intention to speak again at the resolution stage as I spoke at some length prior to the Christmas recess when this resolution was first introduced. However, after listening to the hon. member for Vancouver South I could not resist rising for a few minutes to point out to the committee another indication of the contradictions and differences of opinion on the government side. Mind you, I am dealing with the words of the hon. member for Vancouver South as I heard them, and he made some reference to those who are best fitted to represent veterans on the veterans affairs committee, and who are able to understand veterans' problems. The hon. member has a perfect right to express an opinion.

However, I thought I recalled a speech in the last issue of the *Legionary* made by the Minister of Veterans Affairs sitting opposite which expressed a different opinion. I just want to mention this speech to indicate these contradictions which are constantly occurring among the members of the government and which are cropping out from day to day. I see the minister looking at me—

Mr. Churchill: There are no divisions in your party.

Mr. Herridge: —and I want to quote from his speech. What did the minister say?

Mr. Churchill: Are there any divisions in your party?

[Mr. MacRae.]

Mr. Herridge: Divisions here? This is the most united group in the House of Commons because, Mr. Chairman, united we stand and divided we fall.

An hon. Member: Behind whom do you stand?

Mr. Herridge: Behind our national leader, the hon. member for Assiniboia.

My reason for rising is that I want to quote from this excellent speech the minister made in Winnipeg at the time of the 35th anniversary of the Legion. I understand the dominion executive met there and the minister was guest speaker. I simply want to quote one paragraph with reference to his opinion as to who could best represent veterans. This is the minister's opinion, and I quote it just to indicate that these differences of opinion crop up between those on the government side.

> In the days of peace, only those who have experienced the hazards of warfare are qualified to judge the requirements of the survivors. The Legion, with its thousands of active service members, is the body best equipped to determine the degree of assistance that veterans require.

By quoting the minister I am not suggesting that other members are not sympathetic to the cause of veterans and are not qualified to judge the needs of the survivors of war. I quote those words particularly to draw to the attention of the committee again the contradictions that are arising from day to day on the government side of the house.

Mr. Broome: Will the hon. member permit a question?

Mr. Herridge: Oh, delighted.

Mr. Broome: Would the hon. member suggest that this means we have a certain freedom of expression on this side, whereas his group is regimented to such a degree that they all think the same and they are not allowed to have any difference of opinion?

Mr. Herridge: In this group, Mr. Chairman, we have complete freedom of expression and action. On that side there is sometimes freedom of expression, but when the vote comes the members vote as they are told.

I only rose because I could not resist doing so after listening to the otherwise excellent speech made by the hon. member for Vancouver South. I know his intentions are good and he means well.

Before I resume my seat, I do want to say that there were a number of questions brought up by members this afternoon, both on the government side and the opposition side, with respect to certain amendments required to the Canadian Pension Act to give justice to certain pensioners. Reference was made to the benefit of the doubt section and to the

regulation which now denies a percentage of the pension to the widow if her husband's pension was under 50 per cent. References were made, too, concerning the needs of our burnt out veterans.

In conclusion, I simply want to say that I trust when the committee is studying the bill, which I hope will be introduced for for first reading tonight—I can see by the expression on the minister's face that he is very optimistic—the committee will have various veterans organizations, including the Legion, the national council of veterans and others before them to offer suggestions with respect to these amendments which are supported by members on all sides. These amendments are required to bring this act up to date to meet present circumstances. I hope the committee will have the power, not only to make recommendations with respect to the exact wording of the bill that will be sent to the committee for examination but on these other questions that have arisen with respect to the Canadian Pension Act.

Mr. McIntosh: Mr. Chairman, in rising to speak on this item I should like first to commend the Minister of Veterans Affairs for bringing this resolution before this committee. I should like also to congratulate him on his new appointment as minister of this department. I am certain that with his wise counsel and with his service record, the department will benefit from his leadership and his experience. At this time also I should like to take the opportunity to express the gratitude of the people I represent, the veterans of Swift Current-Maple Creek, to the previous minister, now a senator, for the concern, sympathy and understanding which he gave to the many veterans' problems with which he dealt during the time he held this portfolio. It was during his tenure of office that the standing committee on veterans affairs was established. I am sure those of us who have served on that committee, regardless of party affiliation, will agree that it was to a large extent as a result of his interest in the welfare of veterans that Canada's veterans legislation is considered to be the finest anywhere in the world, as the hon. member for York-Sunbury said.

This does not alter the fact, however, that this legislation must be kept up to date and adjustments made in it from time to time. The resolution before us is the forerunner of the bill to amend the Pension Act, and actually it is broken down into four distinct clauses. The first clause would provide for increased pensions to disabled veterans and their dependants; the second would permit payment of supplementary pensions in certain cases; the third would permit appeals from decisions of the former board of pensions commissioners; and the fourth would provide for certain further changes in connection with the administration of the act.

I trust that the measures to implement the first two clauses of this resolution will cover the ninth recommendation contained in the 1959 brief of the Canadian Legion wherein they recommend that section 13 (1) (a) of the Pension Act be amended so that a pension applicant who served in an actual theatre of war who is found to have a disability resulting from an injury or disease not recorded on medical examination prior to enlistment will be entitled to have such injury or disease presumed to have had its inception subsequent to enlistment.

I believe that recommendation deserves serious consideration by the minister and by his officials. As we all now know, and has been mentioned previously this evening, Mr. Anderson, who is now chairman of the pension commission, was a former official of the Canadian Legion. I hope that he uses his high office in order to influence the minister and the rest of the staff to implement this resolution.

In the time allotted to me I propose to deal mainly with the last two clauses of this resolution which are as follows:

> —to permit appeals from decisions of the former board of pension commissioners; and to provide for certain further changes in connection with the administration of the act.

Many of us who are members of some service organization such as the Canadian Legion have had some experience in establishing claims for pension on behalf of our comrades. My recollection is that the more conscientious the individual was during his term of service, the more difficult it was to establish his claim for pension. I do not blame any board or any officials of the department for this difficulty because they have no alternative but to follow the act and the regulations concerning that matter. I could say a great deal about the regulations with regard to any of these acts. I am quite sure that when the act was passed, if the regulations were then before the house, many of these regulations would have been changed because to my mind in many cases the regulations are more powerful than is the act itself.

Many of us know of cases of service personnel who would have to be flat on their back before they would report to their medical officers. As a result no record appears on their documents of any minor ailment they may have had because the doctors themselves did not report to their medical officer. In later years when these service personnel were back in civil life those ailments, through aggravation or other causes, forced them to seek

medical attention. In obtaining medical histories of their patients the civilian doctors concluded that the source of aggravation was traced back to war services. In very few cases from my experience with the board of pension commissioners do they accept the civilian doctor's findings, stating there was no entry on the applicants' service records. The term N.A.D.—no apparent disability—used on discharge from a hospital oftentimes if the truth were known revealed the lack of experience of some doctors in diagnosing the case.

In trying to establish proof of claim at this late date the pension commission has requested veterans to contact their service medical officer who treated them during their term of service. If the treatment was minor and the patient was not a malingerer the medical officer could not be expected to recall any particular patient being treated 15 years or 20 years ago for a minor unrecorded ailment.

With the amendment to permit further appeal from decisions of the board of pension commissioners I am certain that many deserving cases should and will be reviewed, claim will be established and entitlement granted. Many service organizations and members of parliament here in this House of Commons today who have spoken on this resolution obviously feel that the pension commission have failed to extend the provisions of section 70 of the Canadian Pension Act, commonly known or referred to as the benefit of the doubt clause to applicants for pension. There appears to be ample evidence, as some of the members who have been on this committee have stated, filed with the department that the commission did not use this section in the manner in which many of us believe it was intended to be used.

Before we get off on the wrong track about what this benefit of doubt means may I say this. I have heard some statements here in the house today which do not apply to this section. The benefit of the doubt refers only to the medical records of the service personnel. We are not doubtful about whether the board has done the right thing or about whether they have leaned over backwards. The benefit of the doubt refers to the medical records.

I have always been an advocate of the principle that those who volunteer for service and were disabled by any means while in the service should be eligible for pension. I say that volunteers should be shown the respect that is due to them. It was no fault of theirs that they were not called for service in a theatre of war. They volunteered to go where the Canadian government wanted them to go. As I have said, the very fact that they volunteered seems to have been forgotten. My suggestion with regard to volunteers possibly would be more properly discussed under the War Veterans Allowance Act, as the minister will tell you, but I would ask the minister at this time to consider at an early date the eligibility of the first war veteran volunteer to qualify for assistance and I recommend that the present requirement of 365 days in the United Kingdom prior to November 12, 1918 be abolished. To my mind there appears to be no just reason to distinguish between the veterans who serve voluntarily in two major wars. In Canada it actually appears to be easier to qualify allied veterans or veterans that were allies of ours during world war I than it is to qualify our own Canadian volunteers.

I now wish to discuss certain personnel of the South African force and this is one point I want to make. In some cases they arrived at the theatre of war but did not disembark prior to the cut-off date. I use the term "certain personnel" because those that are still alive, it would appear from this Pension Act and other acts covering veterans, do not qualify to be classed as veterans or to be entitled to the term "military service". Section 2(o) of the Pension Act outlines military services as service in the navy, army or air force of Canada since the commencement of world war I. With this section as it now reads it can be seen that no South African volunteer has entitlement to pension under this act, nor any service status whatsoever under the Pension Act.

An applicant who falls into this category, I understand—there are only a few of them left—must apply to the British minister of pensions. The British minister will only entertain recognition of those Canadian volunteers who landed in South Africa prior to May 31, 1902. As I said, although there are only a few of them left, Canada has made no provision to assist in any manner those South African volunteers who cannot qualify under British regulations. There is no provision under the War Veterans Allowance Act whereby assistance can be given to an early Canadian volunteer, although the need may be great. I say that somewhere in our statutes such cases should be covered. It cannot mean too much money to the Canadian taxpayers. There numbers must be less than 100.

The final point I wish to raise at this time is in connection with the monetary award that accompanies gallantry awards. Although it may not come under the heading of the Pension Act, it may have to do with the contemplated change in an administration of the act, mentioned in part 4 of the resolution, which I read previously. When we inquired

in the committee stage during the last session the reason recipients of gallantry awards in world war II received cash with their awards and those receiving the same award in world war I did not receive cash we were told that such awards in world war I were under British jurisdiction. The statement was made by the officials of the department during the 1958 session that negotiations were under way for the government of Canada to take over this jurisdiction. When agreement had been reached, it was thought that Canadians of world war I in receipt of gallantry awards would be compensated in the same manner as were those receiving the awards in world war II and since that time. Can the minister say whether those negotiations have been completed with the British ministry of pensions or other British bodies that have control of these matters? I am not quite sure whether it is the pensions ministry. I would ask the government to see that this matter is not forgotten. I would ask the minister, also, to see that the matter of the very few veterans of the South African war is not forgotten.

May I say in conclusion that I am certain every member of this house is aware of the importance of this resolution to Canada's veterans and their dependents. I hope the measure will have a successful passage through this house.

Mr. Tucker: I welcome this opportunity to comment on the resolution concerning veterans' pensions. I should like to associate myself with the view expressed by the Minister of Veterans Affairs on introducing the resolution when, as recorded on page 735 of *Hansard* of December 12, 1960, he stated:

> It is the desire of the people of Canada that veterans and their dependents shall receive reasonably adequate compensation.

Certainly this is the same sentiment as was expressed in slightly different terms by the subcommittee on veterans affairs set up at the recent Liberal rally, which resolved:

> The Liberal party reaffirms its continued concern for Canada's veterans, believing that the country wishes to treat them in a spirit of generous gratitude for their services so readily rendered in past times of national emergency.

In my opinion veterans are patriots, and patriotism is generally defined as love for one's country. A line from one of Horace's poems runs: It is good and glorious to die for one's country. Horace lived before the birth of Christ, but even in that period patriotism was not a new thing. As a matter of fact, some 500 years before the Christian era a noble band of Spartans died a glorious death for the sake of saving their country.

But the underlying sentiment which makes men patriots is the conviction of life itself which is the most precious gift of manhood. During the first world war, the second world war, or, as a matter of fact in any world war, how many patriots had we; men who left their provinces, their communities, their families, their homes and their friends and went out and fought, not for any personal distinction or any personal gain but for king and country; men who fought for their fellow countrymen so that they might live in peace and harmony without the fear of war hovering over their heads. How many veterans made the supreme sacrifice thinking they were taking part in a war to end wars? So, Mr. Chairman, let us show our gratitude to them. Let us show that they did not fight in vain. Let us show that their efforts on our behalf have been appreciated.

The principle of the resolution under discussion is, therefore, non-controversial. It is the responsibility of this government and of members of parliament irrespective of their party affiliations to see that justice is handed out to our worthy veterans. It is in this spirit that I wish to assure the minister that I shall be brief at this stage of the debate in order to expedite the introduction of the bill itself. When we have the bill in our possession we shall give it very close scrutiny, both in committee and in the standing committee on veterans affairs in order to ensure that the maximum benefit accrues to our worthy veterans.

It is, of course, unfortunate that the government was unable to bring in this legislation last year, thus complying with the plan of the former minister of veterans affairs as expressed in the issue of the *Legionary* of March of last year. It is unfortunate, too, that the former minister of veterans affairs, the Hon. Alfred Brooks, who no doubt worked so hard on this resolution, will not have the pleasure of guiding it through the house.

It is to be hoped that the revision in the pensions will compensate in a realistic manner for the rapid decline in the real worth of the dollar in recent years, a decline which bears heavily on those who, of necessity, have to live within the confines of an income fixed at a time when the dollar was worth a good deal more than it is today.

We welcome the provision outlined by the minister which attempts to mitigate the injustice done to those Canadian citizens who served this country well while on duty with allied forces but who do not yet receive comparable pension benefits. I share the hope so ably expressed in the speech of the hon. member for Burin-Burgeo that under this resolution provision will be made to place Newfoundland veterans on the same footing in connection with the payment of benefit as other Canadians. I endorse every word

which my hon. friend said, and urge that an attempt be made to regularize the status of Newfoundland veterans. I ask the government to take into consideration the service given by the forestry units in world war II, the merchant navy and the rescue tug service. All those who served in these bodies should be brought under the veterans' charter.

The members of the Newfoundland overseas forestry units, having answered the call of duty served side by side with the Canadian forestry corps and performed their duties in a very creditable manner. They were exposed to the same hazards as were any Canadians from any part of Canada stationed in the British isles.

It was my duty to purchase the clothing on behalf of the Newfoundland commission government for the Newfoundland forestry units prior to their departure. As far as I can understand, the foresters have never been recognized as veterans because they did not wear a uniform and were not recruited in the same way as the other fighting forces. Surely the Minister of Veterans Affairs and his colleagues will find some way to overcome this technicality and show Newfoundlanders and all Canadians that this government is not going to treat them differently from other Canadians in any of the provinces.

For several years the Newfoundlanders who served with the forestry unit have been seeking through the Canadian Legion the same recognition as is shown other Canadians who served in similar capacities. It has been stated that the commission government of Newfoundland at the time did not recognize any obligation toward the forestry unit. Surely this does not mean that the obligation did not exist and as we all know two wrongs will never make a right.

I wish to conclude by placing on the record an extract from the speech made by the hon. member for Burin-Burgeo as reported at page 6755 of *Hansard* of July 22, 1960:

> I should like to express the hope that the war veterans legislation will be amended at the next session of parliament; not only that the Pension Act will be amended to permit increases in the basic pensions and to confirm and regularize the status of Newfoundland veterans, but that other veterans legislation will be amended so that the Newfoundland forestry units of world war II, the merchant navy and the members of the rescue tug service can all be brought under the veterans charter.

I hope the minister will take into consideration the brief submitted on March 31, 1960 on behalf of the Newfoundland overseas forestry unit. I ask the minister not to show any preference to the Newfoundland foresters, but to see to it that the same rule and yardstick are applied to our forces who went out and did their work as well as they knew how, not to see that they are given any preference but to ensure that they receive the justice so well deserved.

Mr. Beech: Mr. Chairman, may I take this opportunity—as have hon. members who preceded me in this debate—to formally congratulate the new Minister of Veterans Affairs and wish him every success in that important portfolio. Thus far the hon. gentleman has given every indication of being a worthy successor to his predecessors.

The introduction of this resolution will be received gratefully by the various veterans organizations and by veterans generally. It has been known for some time that the government has been giving serious consideration to implementing the increases given in 1957 with a view to bringing them more in line with the recommendations made by the Canadian Legion and other veterans organizations. It was expected that these increases would have been made last year and I know that it was as great a disappointment to the then minister of veterans affairs and other members of the government, as it was to all veterans, when it was decided that these benefits would have to be postponed.

That is not to say that veterans were neglected in the meantime. In fact the benefits granted by the present government make up an imposing list among which are the following: a very substantial increase in war veterans allowances; eligibility for veterans who served at least 365 days in the United Kingdom during world war I and for the widows of these veterans; reduction of the residence rule for allied veterans from 20 to 10 years; eligibility for the widows of such veterans after they have resided here for 10 years, provided their husbands would also have resided in Canada for 10 years had they lived; raising from $6,000 to $8,000 the interest a recipient may have in the property in which he resides; veterans can now receive the veterans allowance regardless of domicile under certain conditions; the repeal of the section which prohibited the payment of an allowance to an orphan receiving benefits under the Pension Act.

All of these points have been contained in resolutions advocated for many years by various veterans organizations and the amendments introduced by the government have gone a long way toward meeting these points. The abolition of the deadline for the marriage or remarriage of world war I veterans, previously advanced to 1954, enabled many veterans to claim married status.

I hope that any increases approved will include payments to those veterans who come under section 25 of the Pension Act, the

meritorious section. When the new changes recommended in this resolution are added to this list I believe we will have every reason to be happy in supporting the motion. There is, however, one matter that continues to give veterans organizations considerable concern and that is the continued practice on the part of the members of the pension commission of placing their own interpretation on section 70 of the Pension Act which reads as follows:

70. Notwithstanding anything in this act, on any application for pension the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

This concern has been expressed by various veterans organizations. It was expressed by the Canadian Legion in a resolution in the following words:

—that the government take action to ensure that the benefit of the doubt as set forth in section 70 of the Pension Act is in fact extended to all applicants under that act.

It was expressed by the army, navy and air force veterans of Canada in a resolution in these words:

Whereas the Pension Act states that in any application for pension, the applicant shall be entitled to the benefit of the doubt and the adjudicating body is directed to draw all reasonable inference in favour of the applicant; and

Whereas the pension commission, the pension appeal board and medical authorities acting on their behalf, are not in many cases giving the veteran the benefit of the doubt;

Therefore be it resolved by the army, navy and air force veterans in Canada, in dominion convention assembled, that this obvious violation of the Pension Act be again called to the attention of the various bodies who adjudicate upon pension applications and that they be duly reminded of their statutory duty to give to the applicant the benefit of the doubt according to the clear and specific terms of the section above mentioned;

I wish to place on the record some excerpts from a decision of an appeal board of the pension commission:

The doctor further stated that he agreed that the arthritic condition produced a technical difficulty in operational procedure. The board has further noted that the expert testimony adduced and contained in medical reports indicates that the pensionable condition may possibly have contributed to this veteran's death.

After a most careful and sympathetic analysis, however, of all the circumstances attendant upon death, this board can only conclude that whereas the pensionable condition may have contributed to this veteran's death the fact remains the immediate cause of death was from focal peritonitis following a gastro-enterostomy and the contributory factors cannot be considered material in this case. The advocate Mr. Harvey submitted that the medical evidence established that the pensionable condition contributed materially to death and further pointed out that although in his opinion there was no doubt of this, should any doubt exist in the minds of the board it should be resolved in favour of the applicant.

The board, after carefully reviewing the entire evidence, concludes that although the possibility exists that the pensionable condition may have influenced the disease processes leading to death, the probability of such has not been sufficiently established to bring this case within the provisions of section 70.

Here is a case where the board felt there was a doubt but it was not sufficient to bring it within section 70. Many cases similar to this may be found on the files of the pension commission, the Canadian Legion and other veterans organizations that maintain veterans bureaus. For many years this subject has been the subject of resolutions by these organizations based on the knowledge that as the years go by the disabilities suffered during war service, some of which were not apparent, or if they were, were not reported on discharge, would become aggravated to the extent that the ability of the veteran to earn a living was impaired. Furthermore, the difficulty of securing witnesses and evidence to substantiate their claims would increase with the passing of the years. These fears were well founded and parliament finally recognized the need and in its wisdom passed section 70 so as to remove forever the possibility that any veteran should be denied the right to compensation for any disability suffered as a result of service to his country.

The intention of parliament as set out in section 70 is clear enough; the difficulty is with the interpretation and it seems to me that members of the commission believe that the doubt mentioned means the doubt in their own minds; whereas parliament meant the doubt as to the completeness of the evidence produced on behalf of the veteran. I believe that if this matter can be cleared up, along with the addition of the new amendments, we shall be making more complete what is perhaps already the finest veterans legislation in the world.

Mr. Batten: Mr. Chairman, I should like to make a few brief remarks at this time. First of all, I should like to congratulate the new Minister of Veterans Affairs. In the few years that I have been in parliament I have come to have a tremendous respect for the members of this particular department. I believe that they are dedicated to their task, and the new minister takes over a department that I am sure is trying to do everything it can for the good of the Canadian veteran.

I should also like to pay tribute to the previous minister who not only as minister of veterans affairs but also as a veteran and a member of veterans committees over the years has done a tremendous job and has carried the torch for the veterans across

Canada. He has now moved on to the other place, and I trust that his good work here will bring to him the satisfaction that sometimes is the basis of many years of good health.

I want to associate myself particularly with the remarks made this afternoon by the hon. member for Burin-Burgeo. This is not the first occasion when he has taken the opportunity to make a strong plea for the Newfoundland veteran who now apparently is not receiving the same consideration as his mainland partner receives. Whatever the legal interpretation of term 38 of the terms of union of Newfoundland with Canada may be, it is my opinion that this term should not provide food for legal argument, but every effort should be made to find some basis for granting to the Newfoundland veteran the benefits which he so rightly deserves. I would have hoped that in this legislation some consideration would be given to this particular class of veterans. We shall know in a day or so when we receive the bill what its contents are, but if this present amendment does not contain some consideration for this class of veteran I hope that any amendments which are made in the near future will give the consideration which they so justly deserve.

One coming from Newfoundland could hardly make any reference to veterans without referring to the Newfoundland forestry unit. In March of last year a delegation was received by the veterans committee, and I was particularly impressed with the brief which they presented at that time. I know that all members of this committee are keenly interested in the affairs of the Canadian veteran and I would suggest to you, and particularly to those who are members of the veterans committee, that they secure a copy of this brief and give it the thorough reading which I think it warrants.

This Newfoundland unit of foresters was formed on November 18, 1939, just a month or two after the outbreak of the second world war. It is interesting to note that some of the communications between the government of England and the commission of government of Newfoundland encouraged those people to engage themselves as foresters and to join the forestry unit rather than the regular forces. For example, on page 2 of the brief which I hold in my hand there is a reference to the encouragement which was given to those men, and in section 2 (b) we find the following:

> By telegram No. 416 dated 9th November 1939 the secretary of state for dominion affairs impressed upon the Newfoundland governor the dire necessity for Newfoundland to send a labour unit immediately to the United Kingdom for the purpose of cutting pitprops in connection with coal production in the United Kingdom which was, in his words, "vital to the war economy".
>
> (c) The Newfoundland government felt duty bound to ask Newfoundlanders to be guided by what the United Kingdom government felt to be most advantageous for winning the war.

This leads me to believe, Mr. Chairman, that while those Newfoundlanders engaged themselves in the forestry unit, they were, at least by power of suggestion from the home office, doing what they considered to be their part in the war effort. Each individual signed a contract for the duration of the war, except for the first nine months of the war when the special contract was for six months.

It is interesting to note that in the following year, in the month of June, 1940, the contract was altered and by this change in the contract each individual had to undertake that he would not and could not be transferred to any other unit or to any of His Majesty's armed forces, and had to sign for the duration of the emergency. In other words, having been encouraged to enter the forestry unit these men were no longer free to decide whether they would or would not enter the regular forces. In reading the brief I was interested in something I found on page 7. In telegram No. 376 from the home office under date of May 16, 1940, I find the following:

> Need of men skilled in forestry is so urgent that we should be grateful if recruiting organizations in Newfoundland could be advised to exercise special caution in accepting any skilled loggers as recruits for Royal Artillery Regiment.

I suggest to you, Mr. Chairman, and to the committee that these men who joined the forestry unit did so because they were encouraged to make their contribution in this direction. I feel there is an element of unfairness when these men do not receive the benefits to which in my view at least they are perfectly entitled. I hope that at some future time when the minister is considering amendments to the legislation he will give all due consideration to the plea which these men have made to the parliament of Canada through the veterans affairs committee.

When the terms of union between Newfoundland and Canada were being negotiated I do not think the problem of the Newfoundland foresters was presented in the proper way. I say that for this reason. When the Newfoundland foresters were in the United Kingdom they were under the command of Lieutenant Colonel Turner. During the months preceding March, 1949, when the negotiations were going on between Newfoundland and Canada, Lieutenant Colonel Turner was sent to Ottawa to discuss the affairs of the forestry unit. Unfortunately he died en route to Ottawa. As a result the

actual facts with respect to his unit were not given serious consideration for some time, but I believe that their case has now been sufficiently well presented that parliament should give consideration to the request they have made.

Coming from a province like Newfoundland it is to be expected that I would also be particularly interested in the merchant navy and I am interested in the members of the merchant navy, not because they are a distinct class of veteran but because they are a distinct class of veteran who are not now receiving the benefits which I believe they should receive. Those of us who know the tremendous part that water transportation played in the winning of the second world war must realize that every merchant seaman was in a theatre of war and that many of them lost their lives as other veterans did on the field of battle and elsewhere. I believe that these men played a tremendous part in the victory won by the allied forces. I think they should be considered as full-time veterans and that under the Pension Act they should receive all the benefits that might accrue to a veteran of any other branch of the fighting services. I would also include the members of the rescue tug service and also the members of the fire fighter service.

I think we have come to the time in Canada when we should consider veterans legislation in the light of the contribution made and not in the light of any legal technicalities which may be the result of organizing these forces in a hurry when they were required. I say again that I am very happy to see this legislation come before the house. I know it is going to be given sympathetic consideration by members in all quarters of the house. There are parts of the legislation which will be of particular appeal not only to members of the House of Commons but to the veterans themselves. Again I would hope that on an early occasion in the future the minister will bring into the house an amendment which will give consideration to the problems that have been raised by four Newfoundland members today and I know would have been raised by the hon. member for Bonavista-Twillingate who is unavoidably absent this evening. I spoke to him about the legislation a few moments ago and he assured me that he was quite in accord with the representations made by the four members from Newfoundland on this side of the house with regard to the problems of Newfoundland veterans.

Mr. MacEwan: Mr. Chairman, I should like to make a few remarks this evening on the resolution now before the house. First, I should like to congratulate the Minister of Veterans Affairs on his appointment. We all know that he was very active with respect to veterans affairs while in the opposition as was the former minister of veterans affairs, the Hon. Mr. Brooks, who has gone to the other place. We know he will do an excellent job in the department in carrying on the good work which has been done in the past.

I should like to take this opportunity to pay a tribute to a former member of the house who sat on my right, the hon. member for Kings, Prince Edward Island, John A. Macdonald. Before he got into politics John A. was the leading spokesman for the veterans of Prince Edward Island. He served on the provincial command of the Canadian Legion and he served on the dominion command representing Prince Edward Island. His loss is indeed a great one to Prince Edward Island, to the veterans affairs committee of the house and to the house itself.

I should like to congratulate the government on the steps which have already been taken with regard to veterans legislation. As we all know, the veterans charter was established after the second world war and it set out the various legislative items having to do with our veterans. As stated by the former minister of veterans affairs, the aim of the government when it took office in 1957 was to take the various pieces of legislation, go through them one by one and make the necessary changes by way of amendment. This has been done since that time.

It was not possible to bring about amendments with regard to disability pensions until this year and I am very glad to see that this matter is now before the house. We know what the record of the government has been. The many changes have been set out by other members who have spoken on the resolution. Changes were made in the War Veterans Allowance Act. In 1958 changes were made in soldiers' insurance and in the Veterans Insurance Act as well as in the Children of War Dead (Education Assistance) Act.

We are glad indeed to have these changes in the Pension Act before us. Various members have spoken about different sections of the act. Some have stated that there are other changes which should be made. I am one of those who believe that the act is not perfect. There are many sections in the act which are open to different interpretations and those who practice law know that is natural. As time goes on and it is shown that changes are needed they will be made.

One was mentioned by the hon. member for Megantic when speaking on the resolution, namely section 13 (2) of the Pension Act. This

is one provision to which various interpretations are given by the Canadian pension commission and I believe that this section above all is one that should be clarified. As I have said, the government has taken action by amendments of different kinds to the various types of legislation.

I hope that the next step in this program will be changes in the War Veterans Allowance Act. We know that those who are in receipt of war veterans allowances have need of a proper amount in order to keep themselves as well as those who receive other forms of pension. No doubt the government will take this into consideration and that will be the next step in the program.

While referring to the War Veterans Allowance Act I should like to refer to a matter which has come to my attention, and no doubt to the attention of many members in this house. A veteran who is in receipt of war veterans allowance has his allowance cut when he receives the old age security pension. I believe there should be a change in this provision. There should be no cut when the veteran reaches 70 because he is entitled to his full war veterans allowance and his old age pension, just as are the other people of this country.

There was another matter mentioned by the hon. member for Swift Surrent-Maple Creek when he spoke this afternoon and that was the regulation concerning veterans who served in the first world war. As we all know they must have served 365 days prior to November 12, 1918. I feel that there should be a change in this regulation because the number of first world war veterans is getting less all the time. I believe there should be a reduction in the number of days. In my own constituency I know of a case, and no doubt many other hon. members have similar cases in their constituencies, of a war veteran who really needs help but who is seven days short of having served the required number of days.

There was a matter mentioned by the chairman of our veterans committee. Incidentally he does a wonderful job. The hon. member for Victoria-Carleton referred to the possibility of setting up an appeal section in the Canadian pension commission. As I understood him he meant that it would be a section which would deal with appeals from the Canadian pension commission and from the appeal board in the same manner as our appellate court. I believe that this would be a good step in dealing with some of these cases.

Finally, the hon. member for Trinity-Conception spoke this evening and dealt with the new platform of the Liberal party, as a result of this last rally, as it related to the veteran. He said this indicated the concern of the Liberal party for the veteran. I should like to say that concern for the veteran is also shown by the government and evidence of that concern is the many changes which have taken place in the three and a half years during which we have been in power.

Finally, I understand that after second reading the bill will be sent to the veterans affairs committee, at which time we will be able to go into the matter fully. We are all looking forward, as members of the committee, to investigating the various matters affecting the veterans of this country. May I again join with those who have commended and supported this resolution which is now before us.

Mr. Ormiston: Mr. Chairman, I am glad to be able to take this opportunity to say a few words on the resolution. First of all, I should like to congratulate the minister upon taking over this portfolio. I am sure we all realize the strenuous efforts which the minister put into his work in his former portfolio, and we now see the results of that work. I believe that in the last few days we have noted the great effort which our present Minister of Veterans Affairs has put forward on behalf of his department. This certainly augurs well for the veterans of Canada, to have such a dedicated minister in charge of the department. If the minister errs at all it is on the side of modesty. He does not seem to care too much for the headlines. Regardless of that fact, Mr. Chairman, the type of legislation which he has sponsored should be well received all over this country.

It is a matter of some regret that the former minister was not able to present this resolution. Colonel Brooks has served Canada well, and he has particularly served the veterans of this country. We all realize how indebted we are to Colonel Brooks, and we appreciate his appointment to the other place. We did feel, however, that perhaps there was some undue pressure brought to bear on him by some of the veterans bodies in this country.

I believe this point was mentioned by the hon. member for Wetaskiwin when he spoke on December 12. I am quite convinced, however, that it is the view of most Canadians that those who were disabled during the war should be compensated to the full degree of their disability and that the dependents of those who died as a result of service should be provided for amply. It has always been the expectation of the people of this country that the veterans legislation should be as generous in its terms as that of any other country. This legislation which will be coming

before the house is an indication of the understanding this government has for veterans in general and I am very happy to be able to support the resolution.

Mr. Rogers: Mr. Chairman, I, too, first want to take this opportunity of congratulating the minister on his appointment as Minister of Veterans Affairs, and to wish him the same success as his predecessor, Colonel Brooks. The legislation being introduced, while it is not spelled out in the resolution, will certainly be approved by all Canadians and, I would hope, by the Canadian Legion and other veterans associations.

In passing, Mr. Speaker, I should like to take this opportunity of paying tribute to the Canadian Legion. Over the years, by sound leadership and dedicated service, the Legion has established itself as the mouthpiece of the veteran. One could point to the number of projects that they have sponsored. This evening, in the time at my disposal, I should like to especially commend the outstanding work being done by the service bureau. I have found this bureau particularly helpful since I came to Ottawa as a member of parliament, inasmuch as they have helped me in every way possible in resolving a number of contentious cases.

I think it is interesting to observe that along with the appointment of the new minister there have been other changes. For instance, a new chairman of the war veterans allowance board has been appointed in the person of Colonel Bill Cromb. He is well and favourably known across western Canada for his work with veterans, first as superintendent of welfare with the D.V.A. at Edmonton, subsequently as district administrator at Edmonton and Winnipeg and finally as regional administrator for the western provinces.

Then also, about a year ago there was a change in the chairmanship of the pension commission, in the person of Mr. Anderson. The comparatively new chairman came to the commission with a wealth of experience in veterans affairs inasmuch as he was previously secretary of the Canadian Legion. Moreover, other changes have been made in the pension commission and in the war veterans allowance board by way of superannuation.

What does all this mean? If we are to follow the usual pattern that is exercised in life—and I say this with no reflection on the past administration—I think this means new ideas. I think it means a different approach in the administration of these two acts which I maintain are complementary one to the other.

Mr. Chairman, if you combine this new administration with the proposed amendments, and the fact that our world war I veterans are on the average about 70 years of age, I think it is reasonable to contemplate that a more liberal interpretation of the Pension Act in certain areas and the War Veterans Allowance Act could be expected.

As one who has been in close contact with veterans for a number of years and who is quite well acquainted with many of their problems, I want to say this. It is one thing to make a serviceman out of a civilian, but it is quite difficult to adjust back into civilian life. Notwithstanding the fact that Canada, as has been stated previously today, has a rehabilitation plan that is second to none in the world, there are a number of servicemen who find it extremely difficult to adjust themselves back into civilian life. This is something that should never be lost sight of by all Canadians. The success of a serviceman being rehabilitated back into civilian life depends upon a number of factors such as, for example, his age; his education on enlistment; his length of service and type of service, combat or otherwise; the environment to which he returns, such as his parents and family; and, most of all, down to the ground, right from the heart interest and understanding by the public at large, particularly the community to which he returns.

While this resolution will be referred to the standing committee on veterans affairs where it will be discussed in detail, there are a few observations I should like to make. The first one is with regard to the method by which applications for pensions are received. If I follow the procedure correctly, the pension commission first refers the submission for entitlement to the medical advisory branch. In turn a report is made by a doctor with his opinion. Following this the policy that is laid down is that two or more members of the pension commission must adjudicate on the pension claim.

The question that arises in my mind is this, particularly in view of the department report for the fiscal year 1958-59 indicating that approximately 50 per cent of pension commission hearings were successful on appeal. Does the pension commission depend too much on the opinion expressed by the medical adviser? There may be an answer to this question, but on the face of the matter it would appear to mean that more time and study should be given to boardroom decisions.

In all fairness, I should add that when a case is appealed the commissioners have an opportunity to meet the witnesses and to assess the over-all value of the testimony. Be that as it may, in the few cases that have come to my notice the appeals, by and large,

are successful on the same evidence by which the commission had previously ruled adversely.

My second observation is on the composition of the appeal boards which travel across the country. Originally the idea was that the board would be balanced; that is to say, a board would comprise one doctor, one lawyer and one layman, with the present composition of the present commission it is contended that a board comprised of two doctors with a layman or a lawyer, attaches too much weight to the medical aspects of the case.

My third observation is in connection with that common complaint which has been raised several times today—I refer to the interpretation of section 70—wherein it is contended that the pension commission relies to a great extent on the medical advisers and that, notwithstanding the weight of evidence in favour of the applicant, the benefits of this section cannot be resolved until a doubt has been created in the minds of the commissioners.

As has been stated here previously, I do not think there is much we can do to amend the act. After all, you can make an act and you can make regulations and they are just as good as is the administration. I am not complaining of the administration. I think the position in which the pension commissioners are placed by this section 70 is an extremely difficult one. The question arises whether or not they give the applicant the benefit of the doubt is debatable.

My fourth observation is with regard to pension advocates.

The Chairman: Order. It being ten o'clock shall I arise, report progress and ask leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Benidickson: Will the leader of the government indicate the business proposal for tomorrow, the next day and as long forward as he can?

Mr. Churchill: Yes, if my voice will hold out. We will carry on tomorrow with the resolution stage of this bill. If we complete that business, we will take second reading on Thursday. Any time that develops on Thursday, subsequent to the pension bill would then be devoted to the estimates of the Department of Citizenship and Immigration which in any case will be the first item of business on Friday. Friday will be given all day to estimates. That is as far as I can go with regard to the business of the house.

Mr. Benidickson: Mr. Speaker, the comments of the house leader almost assume that the resolution stage would take all of tomorrow. I may be wrong in my idea of the rules, but should there not normally be a day between the completion of the resolution stage and the presentation of a bill or before we could go on to the debate on second reading of a bill? In this instance I do not think it matters but am I wrong in my assumptions respecting our rules?

Mr. Churchill: The resolution stage will likely be completed tomorrow and first reading of the bill given. Second reading would then come up for consideration on Thursday.

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

ANSWERS TO QUESTIONS

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

BAGGAGE AND PASSENGER FACILITIES, DORVAL AIRPORT

Question No. 58—**Mr. Argue:**

1. Has the Department of Transport (a) entered into any agreements; (b) issued any charters, to persons, organizations, or companies, for the purpose of handling baggage and/or transporting of passengers at Montreal airport, Dorval?
2. If so: (a) what are the names of the persons, companies or organizations? (b) on what dates were these charters or agreements instituted? (c) what is the content of each agreement or charter?
3. Have any changes been made in any charter or agreement since it was instituted?
4. If so, what was the change made, its purpose, and the date?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

1.(a) Yes, for transporting passengers; (b) other than entering into the agreement under (a) the department does not issue charters. Charters for public transportation facilities are issued by the Quebec provincial transportation board.

2. (a) Murray Hill Limousine Service Limited; (b) the limousine concession with Murray Hill dates back to August 1, 1947, but at that time the company's name was Murray Hill Taxis Limited; (c) the agreement contains the clauses and conditions outlining the terms of the agreement, such as the period for which the agreement was granted, the payments to be made under the agreement and other clauses considered in the public interest.

3 and 4. The payment under the original agreement of August 1, 1947, was $7,200 per annum. The rental was increased, effective August 1, 1951, to $9,360 per annum. The rental was again increased, effective August 1, 1952, to $12,000 per annum.

An agreement has been renegotiated and submitted for approval whereby the department is to receive $50,000 per annum effective December 1, 1960, for a period of five years, with the rental to be reviewed again thereafter.

CANADIAN NATIONAL RAILWAYS—LAY-OFFS IN B.C. DUE TO FLOODS

Question No. 86—**Mr. Regier:**

1. For how many days was service on the main line of the Canadian National Railways discontinued to Vancouver because of recent floods in British Columbia?
2. (a) How many men were at least temporarily laid off by the Canadian National Railways as a result of this break in service? (b) how many of these men have since been re-employed? (c) when does the Canadian National Railways expect to re-employ all who were laid off as a result of this emergency?
3. Were any of these men offered alternative employment in the task of restoring the disrupted service, if not, for what reason?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

The management of the Canadian National Railways advise as follows:—

1. Fourteen days. Service was disrupted January 15 and restored January 29.

2. (a) Two hundred and seventeen; (b) as of January 31 all re-employed; (c) answered by (b).

3. The employees involved were members of the mechanical and car departments. They were laid off because no trains were operating and no alternate work was available. Work rules of the craft organizations involved excludes the transfer of employees between crafts to exercise seniority or perform work belonging to another craft.

FEDERAL CROP INSURANCE—PROVINCIAL ACCEPTANCE

Question No. 89—**Mr. Racine:**

1. How many provinces have accepted the federal crop insurance scheme?
2. If any, which provinces did so?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

1 and 2. The province of Manitoba instituted a crop insurance scheme starting with the 1960 crop year and it is anticipated that the province of Saskatchewan will have a scheme in effect during the current year.

HOUSE OF COMMONS

Wednesday, February 8, 1961

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

LAOS—EXCHANGE OF LETTERS BETWEEN PRINCE OF CAMBODIA AND PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Hon. members are aware that the chief of state of Cambodia, Prince Norodom Sihanouk, recently addressed messages to 12 heads of governments, including the Prime Minister of Canada, concerning the situation in Laos. Since the texts of the prince's message and of my reply have been made public in Phnôm-Penh, I should like, for the convenience of hon. members and by leave of the house, to table the texts of both messages, in the original French and in the English translation.

Mr. Speaker: Does the Prime Minister suggest that the documents which he has tabled be printed in *Hansard*?

Mr. Diefenbaker: I really had not suggested that; I would think not.

HOUSE OF COMMONS

PARLIAMENTARY NURSE—CONCURRENCE IN REPORT OF CIVIL SERVICE COMMISSION

Hon. Donald M. Fleming (Minister of Finance) moved:

That the report of the civil service commission concerning the class parliamentary nurse, House of Commons, laid upon the table of the house, Friday, February 3, 1961, be now approved.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, before the motion is approved I wish to say on behalf of this group that we are very pleased to see this improvement in the salary for our parliamentary nurse who takes such good care of us all.

Motion agreed to.

AGRICULTURE AND COLONIZATION

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. J. A. McBain (Elgin) moved:

That the first report of the standing committee on agriculture and colonization, presented to the house on Monday, February 6, 1961, be now concurred in.

Motion agreed to.

STARRED QUESTIONS

UNEMPLOYED AS PERCENTAGE OF LABOUR FORCE

Question No. 77—**Mr. Pickersgill:**

What was the number of unemployed for each year, 1931 to 1935 inclusive, measured as an average percentage of the civilian labour force?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): The answer to this question is, 1931, June, 11.6 per cent; 1932, June, 17.6 per cent; 1933, June, 19.3 per cent; 1934, June, 14.5 per cent; 1935, June, 14.2 per cent.

[*Later:*]

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the parliamentary secretary to the Minister of Trade and Commerce if he could supplement the answer he gave to my starred question in the same way that he supplemented the answer to the question asked by the hon. member for Norfolk last week for the years 1936 to 1940, with the figures that would have applied under the present definition of unemployed. In this way the information would be parallel in all respects for the whole period.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): If the present definition of unemployed had been used, the figures would have been higher. There has never been any official estimate made.

Mr. Pickersgill: Does the hon. gentleman believe it would be more difficult to make an estimate for the first half of the 1930's than for the second half?

OPIUM AND NARCOTIC DRUG ACT PROSECUTIONS, EDMONTON—LEGAL SERVICES

Question No. 90—**Mr. Howard:**

With respect to the payments to the law firm of Main, Nugent and Forbes of Edmonton, Alberta, for prosecutions for offences committed under the Opium and Narcotic Drug Act, what was (a) the full name and address of each of the partners in the said firm; (b) the full name and address of the payee of each cheque for each such payment?

Hon. G. E. Halpenny (Minister without Portfolio): (a) and (b). There were four payments only to the firm of Main, Nugent and Forbes as listed below. The four cheques

bear the endorsement "for deposit only to the credit of Main, Nugent and Forbes trust account":

February, 1958	$ 26.00
May, 1958	295.00
May, 1958	35.00
June, 1958	103.00

The names of the partners in the firm of Main, Nugent and Forbes are Sidney Giffard Main, Q.C., Terence James Nugent and George Forbes, and the business address is 209 Qu'Appelle building, Edmonton, Alberta. The remainder of the payments were to Mr. Giffard Main, Q.C., and as there are quite a number of them I would ask that they be printed in *Hansard*.

Mr. Speaker: Has the minister leave to have the remainder of the answer printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The information referred to above is as follows:*]

1958	$
July	390.75
August	33.00
December	339.25
December	319.50
December	566.75
1959	**$**
January	163.00
January	80.00
February	171.00
April	66.00
April	89.00
June	70.00
August	75.00
October	287.35
December	453.00
December	1,328.00
1960	**$**
January	36.75
March	85.00
March	62.00
August	196.00
August	213.00
August	824.00
October	501.50
October	40.00
October	77.50
October	65.00

CAPE BRETON—ALTERNATIVE EMPLOYMENT FOR MINERS

Question No. 92—**Mr. Robichaud:**

1. Has the Prime Minister received a resolution from the Cape Breton joint expenditure board petitioning the government that no coal mine in Cape Breton be closed unless and until alternative employment is provided for the people in the area?

2. If so, has a reply been made, and what was its nature?

Right Hon. J. G. Diefenbaker (Prime Minister):

1. Yes.

2. No. An announcement was made on January 9 regarding the payment of a special subsidy to keep these mines in operation until May 31, 1961. In the meantime the problems of the coal mining area are being kept under active review, and if any changes of policy are made they will be announced.

CLOSING OF CAPE BRETON COAL MINES

Question No. 93—**Mr. Robichaud:**

1. Has the government received a resolution from the Cape Breton district command of the Canadian Legion requesting that a meeting be arranged of government, union, and coal company representatives to deal with the closure of three mines in Cape Breton?

2. If so, have any steps been taken to arrange such a meeting?

Right Hon. J. G. Diefenbaker (Prime Minister):

1. Yes.

2. The answer to question No. 92 covers this question.

WHEAT SHIPMENTS UNDER COLOMBO PLAN

Question No. 94—**Mr. Argue:**

1. Has any wheat, provided as economic assistance under the Colombo plan, been shipped from any (a) Canadian, (b) American, port since January 1, 1960?

2. If so, on what dates, from what port, what was port of destination and country consigned to, how many tons of wheat was contained in each shipment, the dollar value, and what was the name and type of ship, and its registry?

3. Were any of these ships oil tankers?

4. If so, which ones, what shipments were made and when?

5. On what date had each unloaded its oil cargo before taking on its wheat shipment?

6. What steps were taken to cleanse and prepare each tanker prior to taking on wheat?

7. Who pays the cost of transporting such wheat?

8. Have any complaints been received regarding the condition of the wheat after arriving at its country of destination?

9. If so, from whom were they received, on what dates, for what shipments, what was the content of each, and what action was taken?

Hon. Howard C. Green (Secretary of State for External Affairs):

1(a) yes; (b) no.

2, 3, 4, 5 and 6. The Canadian government provides wheat for Colombo plan countries free at seaboard. Since ocean shipping arrangements are the responsibility of the recipient countries, the information requested is not available.

7. The recipient country.

8. Not by the Canadian government.

9. See answer to No. 8.

UNEMPLOYMENT INSURANCE—CANCELLATION OF CONTRIBUTIONS

Question No. 95—**Mr. Roberge:**

1. How many claimants for benefits under the Unemployment Insurance Act in Canada have had their contributions cancelled: (a) from July 1, 1957 to March 31, 1958? (b) during the fiscal year 1958-59? (c) during the fiscal year 1959-60? (d) during the current fiscal year?

2. For each period, how many claimants were relatives of the employer?

3. For each period, how many claimants were considered not to have a contract of service with an employer?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): The answers are as follows:

1. No record is kept of the number of claimants in respect of whom contributions were cancelled. However, the following are the number of persons whose benefit entitlements were cancelled as a result of cancellation of contributions found to have been not bona fide.

(a) July 1, 1957, to March 31, 1958, 296, (b) fiscal year 1958-59, 830, (c) fiscal year 1959-60, 3,156, (d) April 1, 1960, to December 31, 1960, 4,325.

2. No record.

3. No record.

POST OFFICE BUILDING, ST. LEONARD, QUE.

Question No. 96—**Mr. Boulanger:**

1. Since December 21, 1960, has the contract for the construction of a post office at St. Leonard, county of Nicolet, been awarded?

2. If so: (a) was the contract awarded to the lowest tenderer? (b) to whom was it awarded, and for what price?

Hon. D. J. Walker (Minister of Public Works): The answers are as follows:

1. Yes.

2. (a) No. The company which submitted the lowest tender requested and received permission to withdraw its bid.

(b) The contract was awarded to the second lowest tenderer, Jacques Montplaisir Inc., of St. Leonard d'Aston, P.Q. for $19,000.

UNEMPLOYMENT ASSISTANCE PAYMENTS TO PROVINCES

Question No. 97—**Mr. Granger:**

1. What was the total amount paid to the provincial governments for unemployment assistance in the fiscal year 1959-1960?

2. How much of this amount is attributable to the abolition of the so-called threshold provided for in the original act?

3. What was the total amount paid to each provincial government in respect of the fiscal year 1959-1960?

Hon. G. E. Halpenny (Minister without Portfolio): The answers are as follows:

1. The total amount paid to the provincial governments for unemployment assistance in the fiscal year 1959-60 was $40,166,426. This included federal contributions in respect of the fiscal years 1959-60 and 1958-59, and of the retroactive period of one year prior to the signing of agreements, for which claims may be submitted at any time. The total amount paid to the provinces in respect of the fiscal year 1959-60 was $36,579,658.

Starred Questions

2. It is only possible to make an estimate of the proportion of the amount paid by the federal government. It is estimated that this amount approximates $12 million. In making this estimate it is assumed that all provinces would have been participating in agreements during the fiscal year 1959-60 even if the threshold had not been removed.

In so far as part 3 is concerned, Mr. Speaker, federal payments to each province with respect to the months in the fiscal year 1959-60 are set out in the following table. Again, Mr. Speaker, there are quite a number of figures, and may I ask that they be printed in *Hansard*.

Mr. Speaker: Has the minister consent to have the balance of his answer printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

Newfoundland	$3,529,898
Prince Edward Island	113,912
Nova Scotia	664,878
New Brunswick	360,559
Quebec	6,085,922
Ontario	11,669,544
Manitoba	2,868,333
Saskatchewan	1,723,968
Alberta	2,098,350
British Columbia	7,305,454
Yukon	32,642
Northwest Territories	26,197
Total	$36,579,658

RECIPIENTS OF UNEMPLOYMENT ASSISTANCE

Question No. 98—**Mr. Granger:**

1. How many persons, in each province, were beneficiaries of unemployment assistance at the latest available date?

2. What was the corresponding number of beneficiaries in each province for the corresponding date in the years 1956 and 1957?

Hon. G. E. Halpenny (Minister without Portfolio): Under the terms of the unemployment assistance agreements, provinces may submit claims up to six months after the end of the month to which they relate. As a result the latest month for which complete figures are available is June 1960. The number of persons assisted, by provinces, for that month is as follows; and again, Mr. Speaker, may I have permission to have these figures printed in *Hansard*.

Mr. Speaker: Has the minister the requested consent?

Some hon. Members: Agreed.

Starred Questions

[*Editor's note: The table referred to is as follows:*]

Newfoundland	52,422
Prince Edward Island	1,515
Nova Scotia	18,917
New Brunswick	17,849
Quebec	67,948
Ontario	78,580
Manitoba	19,632
Saskatchewan	16,722
Alberta	18,844
British Columbia	47,230
Yukon	127
Northwest Territories	132
Total	339,918

Mr. Halpenny: In so far as part 2 is concerned, the number of persons assisted in each province in June, 1956 and June, 1957 is indicated in the following table. It should be noted that in June, 1956 only six provinces, Newfoundland, Prince Edward Island, New Brunswick, Manitoba, Saskatchewan and British Columbia, were participating in agreements under the Unemployment Assistance Act. In June, 1957, Ontario also was participating but Nova Scotia, Quebec and Alberta were not.

Again, Mr. Speaker, I have quite a number of figures to read and I wonder if I may have permission to have them printed in *Hansard*.

Some hon. Members: Agreed.

[*Editor's note: The table referred to is as follows:*]

	June, 1956	June, 1957
Newfoundland	30,781	33,199
Prince Edward Island	797	1,312
New Brunswick	2,532	3,005
Ontario	—	36,567
Manitoba	8,407	8,508
Saskatchewan	8,099	8,754
British Columbia	18,495	19,104
Total	69,111	110,449

ABBOTSFORD AIRPORT, B.C.

Question No. 99—**Mr. Hicks:**

1. What are the lengths of the three runways of the Abbotsford airport?
2. Can the large DC-8's and Trans-Canada Air Lines super constellations land and take off successfully from this field?
3. During recent foggy weather at Vancouver and Seattle, what was the greatest number of scheduled flights in one day into this field, and what was the revenue?
4. What were the total flights for January, 1961, as compared to the corresponding month, 1960?

Hon. Leon Balcer (Minister of Transport): The answer to part 1 is 7,000 feet, 5,271 feet and 5,272 feet.

[Mr. Speaker.]

Regarding part 2, the answer is yes, but both types of aircraft would be limited in the load they could carry depending upon the runway used. DC-8 aircraft would be reduced to a gross weight of approximately 270,000 pounds from its 310,000 pounds maximum on the 7,000 foot runway and could not use the shorter runways. The super constellation is not limited on the 7,000 foot runway but would be limited on the shorter runways to 128,500 pounds gross in a 15 knot headwind as against a maximum permissible gross of 137,500 pounds.

The answer to part 3 is that during the fog period January 19 to 28, the heaviest traffic into Abbotsford occurred on January 27 when 25 commercial aircraft, including three DC-8's, two Britannias and six DC-6's, used the airport. Revenue on that day totalled $918.20.

As to part 4, the answer is that total traffic for January, 1961, all types of aircraft, was 541 aircraft against a total of 483, all types of aircraft, in January, 1960.

HAINES CUT-OFF SURVEY

Question No. 100—**Mr. Howard:**

1. Is a survey presently being conducted into the feasibility of keeping the Haines cut-off open on a year-round basis?
2. If so, when is it expected that the survey will be completed, and will it be made available to parliament?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): The answer to the first question is yes.

In answer to the second question, I may say it is expected that a report on this matter will be completed within approximately six weeks. A survey is being carried on by the Department of Northern Affairs and National Resources as part of an over-all appraisal of Pacific coast transportation problems. As this report is being prepared for an interdepartmental committee, it would not be tabled in parliament.

REMOVAL OF C.N.R. FACILITIES, SMITHERS, B.C.

Question No. 101—**Mr. Howard:**

1. Is the Canadian National Railways planning to move any of its facilities or works from Smithers, British Columbia?
2. If so, what facilities or works, to which other community, at what reduction in staff, how many personnel will be obliged to move, and when will the changes take place?

Hon. Leon Balcer (Minister of Transport): I wonder if this question could stand, since the Canadian National Railway management has not been able to get the information at this time.

Question stands.

Starred Questions

ST. LAWRENCE SEAWAY—RECOMMENDATIONS FOR SETTLEMENT OF CLAIMS

Question No. 102—**Mr. Argue:**

1. Have any (a) processing reports (b) recommendations, with respect to settlement of contractors' claims against the St. Lawrence seaway authority, been made to any government official by (i) Mr. D. Forgan (ii) Mr. W. B. Crombie (iii) any other person, since construction work began on the seaway?

2. If so: (a) who made them, on what date and to whom? (b) what was the contract number on the claim being dealt with, the name of the contractor, the amount claimed, and the amount of settlement recommended in each case? (c) what was the nature of each report or recommendation?

Hon. Leon Balcer (Minister of Transport): The answer to this question is as follows: The St. Lawrence seaway authority advises that the answer to part 1 is yes.

As to part 2, a number of contractors' claims were reported upon by Messrs. D. Forgan and W. B. Crombie, who were retained by the authority as consulting engineers for that purpose, and by other persons. All reports dealing with claims by contractors were made to the authority through the chief engineer. Such reports are departmental documents and are clearly privileged under the established practice of the house. As the reports themselves are privileged, it follows that details contained in them should not be produced.

NATIONAL DEFENCE—BAND EXPENDITURES

Question No. 103—**Mr. Winch:**

What amount was paid by the Department of National Defence in the fiscal year ended March 31, 1960, for the following (a) pay and allowances for band personnel (i) active forces (ii) reserve forces? (b) travel expenses for band personnel (i) active forces (ii) reserve forces? (c) purchase of musical instruments (i) active forces (ii) reserve forces?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Mr. Speaker, the answer to this question, as closely as it could be computed, is as follows:

(a) (i) $4,224,553, (ii) $1,054,538.

(b) (i) $401,338, (ii) $5,918.

(c) (i) $25,533, (ii) $13,470.

WINTER WORKS PROJECTS—EMPLOYMENT STATISTICS

Question No. 104—**Mr. Racine:**

How many persons, not registered as unemployed with the placement offices, have succeeded in obtaining employment through the winter works projects carried out during 1960-61, as at January 31, 1961?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, this information is not available. Figures supplied by the municipalities indicate an estimated total employment on municipal works projects as of last night of 95,245 persons.

WINTER WORKS PROJECTS—EMPLOYMENT STATISTICS

Question No. 105—**Mr. Racine:**

How many unemployed persons, registered as such with the placement offices, have succeeded in obtaining employment through the winter works projects carried out during 1960-1961, as at January 31, 1961?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, the number of persons who were placed in employment on approved municipal winter works projects through referral by national employment service offices in the period October 1, 1960, to December 31, 1960, was 30,583. Placement figures for the month of January, 1961, are not yet available.

It should be noted that while recruitment is carried out as far as possible through national employment service offices to ensure that unemployed local residents are referred to employers on these projects, this is not feasible in the case of those municipalities located some distance from a local national employment service office.

The unemployment insurance commission operates some 200 offices across Canada. Some 1,750 municipalities have to date engaged in municipal winter works projects. Figures supplied by the municipalites indicate an approximate total employment to date of 95,245 persons on winter works projects.

EMPLOYMENT IN MANUFACTURING, SASK.

Question No. 106—**Mr. Carter:**

According to dominion bureau of statistics figures, how many people were engaged in manufacturing in Saskatchewan, in the months of October, in the years 1944 to 1960 inclusive?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): Mr. Speaker, since the answer to this question requires 45 statistical figures and three footnotes, I wonder whether we might have the consent of the hon. member and of the house to having it printed in today's *Hansard* at this point.

Mr. Carter: Yes, Mr. Speaker; I agree.

Mr. Speaker: The hon. member for Burin-Burgeo agrees. Does the house agree to the suggestion of the parliamentary secretary?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to above is as follows:*]

Starred Questions

Number of employees in the manufacturing industries in Saskatchewan, broken down into: "Production Workers"[1] and "Salaried Employees"[2] for the months of October, 1944-1958[3].

		Number			Number
1944	Production workers[1]	7,974			
	Salaried employees[2]	3,054	1944	Total employees	11,028
1945	Production workers[1]	8,139			
	Salaried employees[2]	2,740	1945	Total employees	10,879
1946	Production workers[1]	8,658			
	Salaried employees[2]	2,823	1946	Total employees	11,481
1947	Production workers[1]	8,366			
	Salaried employees[2]	2,912	1947	Total employees	11,278
1948	Production workers[1]	7,921			
	Salaried employees[2]	2,818	1948	Total employees	10,739
1949	Production workers[1]	7,901			
	Salaried employees[2]	3,037	1949	Total employees	10,938
1950	Production workers[1]	7,483			
	Salaried employees[2]	2,985	1950	Total employees	10,468
1951	Production workers[1]	7,985			
	Salaried employees[2]	2,996	1951	Total employees	10,981
1952	Production workers[1]	8,310			
	Salaried employees[2]	3,129	1952	Total employees	11,439
1953	Production workers[1]	8,411			
	Salaried employees[2]	3,166	1953	Total employees	11,567
1954	Production workers[1]	8,052			
	Salaried employees[2]	3,203	1954	Total employees	11,255
1955	Production workers[1]	8,062			
	Salaried employees[2]	3,254	1955	Total employees	11,316
1956	Production workers[1]	8,537			
	Salaried employees[2]	3,118	1956	Total employees	11,655
1957	Production workers[1]	8,572			
	Salaried employees[2]	3,304	1957	Total employees	11,876
1958	Production workers[1]	8,804			
	Salaried employees[2]	3,491	1958	Total employees	12,295

[1] Number employed last week in October.

[2] Annual average. Salaried employees cover Administrative and Office Employees.

[3] Not yet available for 1959 and 1960.

FEDERAL-PROVINCIAL CONFERENCE—
CALCULATION OF GROWTH

Question No. 107—**Mr. Pickersgill:**

What is the basis of the calculation of the growth factor in the equalization formula referred to in the letter addressed by the Prime Minister to the provinces, proposing a resumption of the federal-provincial conference?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on the basis of the replies that I have received from the provincial premiers I can announce that the meeting of the dominion-provincial conference will commence on February 23 and continue on February 24. Until the government's proposals are placed before the provincial premiers I feel that it would be inappropriate to give the detailed answer for which the hon. gentleman is asking.

[Mr. Speaker.]

NATIONAL EMPLOYMENT SERVICE—
EMPLOYMENT OFFERS

Question No. 108—**Mr. Deschatelets:**

1. What is the total number of offers of employment received in Canada by all the national employment service offices of the unemployment insurance commission for the following years: 1953-54-55-56-57-58-59-60?

2. How many persons have obtained employment in Canada through the national employment service offices of the unemployment insurance commission for the same years?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, in view of the detailed information requested I suggest that the answer might be taken as read.

Mr. Speaker: Is the hon. member agreeable to that procedure?

Mr. Deschatelets: I agree.

Mr. Speaker: Is the house agreeable?

Some hon. Members: Agreed.

[*Editor's Note: The answer referred to above is as follows:*]

1. The total number of vacancies notified through all national employment service offices of the unemployment insurance commission for the years 1953-1960:

1953	1,289,162
1954	1,088,320
1955	1,232,973
1956	1,425,620
1957	1,119,538
1958	994,639
1959	1,175,831
1960	1,128,922

2. Placement in employment effected by national employment service offices of the unemployment insurance commission for the same years are as follows:

1953	993,406
1954	861,588
1955	953,576
1956	1,046,979
1957	877,704
1958	840,129
1959	986,073
1960	958,300

PROVINCIAL ROAD PROJECTS, NORTH-WESTERN ONTARIO

Question No. 109—**Mr. Fisher:**

1. Has the government received any requests, queries, or suggestions from the province of Ontario, regarding the sharing under any federal program of the road location surveys or road-building in northwestern Ontario, for projects which would link Geraldton and Manitouwadge; Hornepayne and Manitouwadge; Ignace and Savant lake?

2. If so, when, and with what results?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I would ask that this question be made an order for return.

Mr. Speaker: Order for return.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, whether a question should be made an order for return or be published in *Hansard* is something that makes a considerable difference from the point of view of persons placing questions on the order paper. I should prefer to see this question answered on the *Hansard* record rather than made an order for return. The same comment applies to the next question.

Mr. Speaker: I think the hon. member is limited by the rule. Standing order 39, section 5, says:

If a question is of such a nature that, in the opinion of the minister who is to furnish the reply, such reply should be in the form of a return, and, during the question period on Wednesday, the minister states that he has no objection to laying such return upon the table of the house, his statement shall, unless otherwise ordered by the house, be deemed an order of the house to that effect and the same shall be entered in the *Votes and Proceedings* as such.

If the hon. member wishes to object, of course the matter is in the discretion of the house and I will call for those who are in favour of the matter being ordered for return.

Mr. Fisher: Mr. Speaker, I do not wish to make this particular question an issue, but there seems to have grown up a practice, when information comes from more than one department, for the Secretary of State to make it an order for return. In this particular case there is nothing complex about the question or the information that would justify it going one way or another, and I think it is unfair—

Mr. Speaker: Order. Unless the minister wishes to alter his decision, he is complying with the rule in requesting that the answer be made an order for return. Unless the house otherwise directs, it will be so ordered.

Some hon. Members: Agreed.

Mr. Speaker: Order for return.

QUESTION PASSED AS ORDER FOR RETURN

PROVINCIAL ROAD PROJECTS, NORTHWESTERN ONTARIO

Question No. 109—**Mr. Fisher:**

1. Has the government received any requests, queries, or suggestions from the province of Ontario, regarding the sharing under any federal program of the road location surveys or road building in northwestern Ontario, for projects which would link Geraldton and Manitouwadge; Hornepayne and Manitouwadge; Ignace and Savant lake?

2. If so, when, and with what results?

MOTIONS FOR PAPERS

UNEMPLOYMENT INSURANCE—INSTRUCTIONS RESPECTING DISPLACED PERSONS

Motion No. 42—**Mr. Regier:**

For a copy of all correspondence and instructions issued by the Department of Labour to the regional offices of the unemployment insurance commission having to do with displaced persons since January 1, 1957.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, since the hon. member for Burnaby-Coquitlam is not present in the house I would ask that this notice of motion for the production of papers stand.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Motion stands.

Inquiries of the Ministry

LABOUR CONDITIONS

CAPE BRETON—REQUEST FOR DESIGNATION AS DISTRESSED AREA

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I would like to ask a question of the Minister of Finance as suggested by a resolution of the Cape Breton labour council asking that Cape Breton be declared a distressed area or, as the minister said in the budget speech, a chronic unemployment area.

Can the minister say whether Cape Breton has been so designated and, at the same time, what other designated areas are in the government's mind?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, this will be done, of course, in due course; but as I pointed out when I was last asked a similar question, this is a matter in which some expediting of the budget resolutions would assist very much.

Mr. Martin (Essex East): A supplementary question, Mr. Speaker. May I ask the minister, does he not realize that now over six weeks have elapsed—

Some hon. Members: Order.

Mr. Martin (Essex East): —does he not realize that over six weeks have elapsed—

Some hon. Members: Order.

Mr. Martin (Essex East): —since the minister announced—

Some hon. Members: Order.

Mr. Martin (Essex East): Mr. Speaker, these gentlemen here apparently do not want to assist the unemployed.

Mr. Speaker: Order. I have taken no exception to the hon. member drawing to the attention of the minister the lapse of time, and I think the house should hear the question.

Mr. Martin Essex East): Thank you, Mr. Speaker, I wish to raise the question of unemployment; that is the subject matter. I regret hon. members opposite do not want to hear it. Does the Minister of Finance not realize that over six weeks have elapsed since he announced in this house that the government proposed in part to deal with unemployment in this country by applying the principle of double depreciation to distressed areas? That being the case—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member's question is of course an argumentative one, presenting an argument in the form of a question. I think he would be within his rights in asking the ministry for an explanation of a delay, but not to go on to reinforce that with argument.

Mr. Fleming (Eglinton): Mr. Speaker, I am well aware of the time that has expired—

Mr. Martin (Essex East): Just a minute—

Mr. Speaker: Order. I take it the hon. member has completed his question.

Mr. Fleming (Eglinton): I am well aware of the time that has expired. I do keep track of the calendar. Perhaps we may have some progress some day soon on these budget resolutions. We spent three days on one very short resolution last week. I hope we will have more co-operation from the opposition from this point on.

Mr. Martin (Essex East): Mr. Speaker, will the Minister of Finance now announce the areas to be covered by this measure so that municipalities can take the necessary preparatory steps? If the government is serious about its attempt to deal with unemployment—

Mr. Speaker: Order. The hon. member is tacking on something which is improper to a question which I would be prepared to admit.

Mr. Benidickson: Mr. Speaker, may I ask—

Mr. Speaker: Order. I am prepared to admit the hon. member's question, but I tried to prevent him from attaching a rider. It is now open to the minister to reply.

Mr. Fleming (Eglinton): Mr. Speaker, would the hon. member attempt to disentangle his little question from that mass of verbiage with which he clothed it, full of statements and misstatements?

Mr. Martin (Essex East): Mr. Speaker, I shall be very glad to try and clarify a very simple question for the Minister of Finance. In view of the government's announced policy regarding double depreciation, and in view of the desirability of municipalities being prepared to take advantage of this provision, will the minister without further delay announce the distressed areas to be covered by the application of this proposed principle of double depreciation?

Mr. Fleming (Eglinton): Mr. Speaker, I take issue at once with the hon. member's reference to distressed areas. That expressions has been employed by the hon. member with deliberate purpose. It was employed by another hon. gentleman opposite who asked a similar question not long ago. I did not refer to distressed areas in the budget speech at all. If the hon. member would amend his

inquiries I think they would be more appropriate. Announcement of this subject will be made at the appropriate time.

Mr. Martin (Essex East): At the end of the session.

Mr. Fleming (Eglinton): No, no; not under the dictation of the dictatorial hon. member for Essex East, but at the proper time.

Mr. W. M. Benidickson (Kenora-Rainy River): A supplementary question, Mr. Speaker. The Minister of Finance referred to items in the budget resolutions. Which item in the budget resolutions has in any way deterred action on the part of the government with respect to accelerated depreciation to business people dealing with the depressed areas?

Mr. Speaker: Order. I do not think we should anticipate the debate which will take place on the budget resolutions.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I rise on a question of privilege affecting all hon. members. The Minister of Finance suggested that the reason he was not in a position to answer the question of the hon. member for Essex East was that the budget resolutions had not been dealt with. My friend the hon. member for Kenora-Rainy River is asking which of the budget resolutions refers to this matter, and I think for good reason; because none of them does.

Mr. Speaker: Order. The question is not one seeking for information but for making a point. The hon. member for Kenora-Rainy River is not satisfied with the answer which has been given and wishes to argue the point. I think the appropriate time would be when the budget resolutions are under discussion.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the minister whether it is the policy of the government not to designate any areas of chronic unemployment until all the budget resolutions have been dealt with?

Mr. Fleming (Eglinton): I did not put it that way, Mr. Speaker. If the Leader of the Opposition will look at the answers I gave to the hon. member for Laurier when he first asked a similar question about a week ago, the hon. gentleman will find that I pointed out that I thought the house should pass on the budget before we attempted to deal piecemeal with some of the matters that I dealt with in the budget.

Since that time the house has resolved itself into committee of ways and means on the budget resolutions, but we do not seem to be making very rapid headway in the committee.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, on a question of privilege, this is now the second time the Minister of Finance has referred in the same manner as he did earlier to the so-called delaying tactics of the opposition in connection with this measure. The leader of the house has now had two opportunities to call the budget resolutions if he wanted to but has seen fit not to do so. We are ready to proceed with these, and the Minister of Finance should know that we are ready, without pointing his finger in our direction and accusing us of employing delaying tactics.

Mr. Speaker: Order. I have noted from time to time that hon. members on both sides of the house have commented on the conduct of other hon. members with respect to the progress of business. I doubt if that is a matter of privilege unless there is some imputation of personal misconduct in any accusation of that kind. I do not think the hon. member for Laurier has a proper question of privilege.

Mr. Chevrier: Let us have an answer to the question, at least, sir.

Mr. Speaker: The hon. member for Laurier knows that while he may ask questions he cannot insist on an answer of any particular kind. The minister concerned is free to make such answer as he sees fit.

REQUEST THAT RAILWAY UNIONS AND MANAGEMENT REOPEN NEGOTIATIONS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister. Has the Prime Minister received a reply from the railway brotherhoods to his request to them and to the railways to renegotiate their difficulties in connection with wages?

Right Hon. J. G. Diefenbaker (Prime Minister): Yes, Mr. Speaker.

Mr. Chevrier: May I inquire what is the nature of the reply?

Mr. Diefenbaker: Mr. Speaker, I can table it tomorrow.

Mr. Chevrier: May I ask a supplementary question. Has May 16 or any other date been set by the government as the date upon which the freezing of railway freight rates will be lifted?

Mr. Diefenbaker: When a determination has been reached on that question it will be brought to the attention of the house.

Inquiries of the Ministry

INQUIRY FOR RETURN

FEDERAL PAYMENTS TO SASKATCHEWAN, 1960

On the orders of the day:

Hon. Noel Dorion (Secretary of State): Mr. Speaker, yesterday afternoon the hon. member for Welland asked me about the answer to be given to his starred question No. 57, made an order for return, having to do with the contributions made by the federal treasury to the provincial treasury of Saskatchewan in the calendar year 1960. In reply I am pleased to inform the hon. member that a number of departments authorize payments from the federal treasury to the provincial treasury of Saskatchewan, that all departments have been circularized for information on these payments, and that the return will be tabled as soon as all the information is available.

COMMONWEALTH CONFERENCE

DISARMAMENT—REPORTED INTENTION TO ORGANIZE COMMON POLICY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, now that the flurry from the opposition benches is over I wish to direct a question to the Prime Minister with all due and proper respect for parliamentary procedure.

In view of the most significant peacetime announcement by Right Hon. Harold Macmillan, Prime Minister of Great Britain, that he intends to attempt to organize a commonwealth policy on disarmament at the commonwealth conference of prime ministers to be held in London next month, can the Prime Minister inform the house whether the government has given consideration to this announcement and its response to the same?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have received no indication that the Prime Minister of the United Kingdom, to use the words of the hon. gentleman, "intends to organize a commonwealth policy on disarmament". Such a course, I think, would be foreign to the relationship among the countries of the commonwealth. However, it is the practice of these conferences to endeavour to arrive at a consensus of opinion on various issues that are of importance to the various nations comprising the commonwealth family.

One of these issues is the question of disarmament, which I know will receive full attention from those in attendance at that conference. As I said the other day—I believe on February 3—in answer to the hon. member for Essex East, in our discussions I do not think it would be appropriate to attempt to arrive at a common policy applicable to all parts of the commonwealth. We will discuss, consider, and I am sure agree on the need of furthering every effort toward disarmament. That has been the purpose of the Prime Minister of the United Kingdom throughout the last several years, particularly evidenced by the fact that he has sought the closest relationships between east and west consistent with the maintenance and preservation of freedom. That has been the attitude of this government, as I stated the other day, and that is the attitude of the other governments of the commonwealth. My hope is that in the discussions to be held all of us will be able to attain a unity in our objectives without in any way interfering with the basic principles of the commonwealth.

EXTERNAL AFFAIRS

IRELAND—INQUIRY AS TO VISIT BY PRIME MINISTER

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Prime Minister if it is still his intention to visit Ireland when he is in the United Kingdom attending the commonwealth conference.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I received an invitation from both governments on the island of Ireland and I am going to accept, because I am eager to visit that island in view of the relationship that prevails between their governments and Canada and in view of the wonderful contribution those of Irish origin have made in Canada.

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister, as a question of privilege, whether in his visit to Northern Ireland he will take up with the publisher of the Belfast *Weekly Telegraph* an article which appeared in the edition of Friday, January 13 and, with what I can only describe as brilliant anticipation, referred to the Canadian Prime Minister as a former Canadian prime minister?

Mr. Diefenbaker: Mr. Speaker, everybody knows the present and the continuing Prime Minister.

WASHINGTON—ANNOUNCEMENT OF VISIT BY PRIME MINISTER

On the orders of the day:

Mr. J. R. Keays (Iles-de-la-Madeleine): Will the Prime Minister tell us whether the press report stating that he intends to visit Washington before attending the commonwealth conference is correct?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in reply to the hon. gentleman I would advise that I received an invitation from the President of the United States to be in Washington on the 20th of this month. It is an invitation I am glad to accept to enable a discussion to take place between the President and myself regarding such international problems as are of general interest to both our countries.

The announcement was made in Washington by the President at his press conference this morning. It would have been made in the House of Commons at the same time if it had been possible to do so. The reason it was not made in the house was that it was agreed that the announcement would be made on Wednesday, and I think it is only fair to advise the house accordingly.

Incidentally, the President said this morning that it was a good thing internationally for old friends to get together. I am looking forward to this meeting, which will be an informal one, free from any formal connotations. I think it is desirable that, as one of the representatives of Canada at the prime ministers' conference, I should be enabled to have at first hand the views of our close and highly regarded neighbour on the many questions which will be coming before the conference.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I think all members of the house, indeed all Canadians, will welcome the announcement the Prime Minister has just made, will wish him well in the discussions he is about to have with the President of the United States, and will agree that it is most appropriate that he should have these discussions before the forthcoming commonwealth prime ministers' meeting. May I ask the Prime Minister whether the Prime Minister of the United Kingdom will be visiting Ottawa in conjunction with his forthcoming visit to Washington?

Mr. Diefenbaker: First I want to thank the Leader of the Opposition for his generous words. So far as the Prime Minister of the United Kingdom is concerned, I hope it will be possible for him to come to Ottawa if arrangements can be made on his part following the meeting in Washington. I know he is desirous of coming here. I hope he will be able to arrange to do so and that he will be accompanied by his great helpmate, Lady Dorothy.

[*Later:*]

Mr. Pearson: Mr. Speaker, I should like to ask the Prime Minister a question arising out of his forthcoming visit to Washington. Would he ask the new administration through the President to reconsider the United States attitude toward uranium purchases from Canada, especially in view of the fact that the United States atomic energy commission has asked domestic suppliers to increase their production?

Mr. Diefenbaker: Mr. Speaker, this subject has been discussed between both governments, and I think a full report has been given on the question. If the facts are as stated by the Leader of the Opposition, naturally it is a matter that should continue to be discussed between our countries. However, within the time limit available to me on this occasion I am not certain that this will be one of the subjects discussed.

There are, however, meetings from time to time, not only regular meetings between the ministers of both governments but meetings between civil servants. This is a matter that naturally, now that the hon. gentleman has asked the question, comes to the attention of the government of the United States. As he knows, agreements were entered into some five or six years ago. Unfortunately those agreements were open at both ends in so far as the assurance of continuous purchases of uranium by the United States were concerned. The result of these open end agreements, of course, has been that the Canadian uranium industry has found itself in a difficult position. I am sure I do not need to tell the hon. gentleman this, but continuing representations are made on this subject.

TRADE

STATEMENT ON REPORTED IMPORTS OF VEGETABLES FROM CUBA

On the orders of the day:

Hon. Alvin Hamilton (Minister of Agriculture): Yesterday a question was asked by the hon. member for Drummond-Arthabaska with respect to imports of tomatoes from Cuba. My department is aware of the current movement of Cuban tomatoes into Canada. However, the movement from Florida is by rail rather than by truck. These tomatoes do not compete with the production of Ontario growers, since there are no Canadian tomatoes on the market at present and marketing in commercial volume is not expected prior to the latter part of March.

Starting April 1, all imported tomatoes will be subject to a duty of 10 per cent ad valorem. This will continue until the seasonal specific duty of 1½ cents per pound is applied for a period of 32 weeks, usually starting in the latter part of June in Ontario.

In regard to the supplementary question, I would inform the house that these shipments have conformed to the provisions of section 56 of the Fruit, Vegetables and Honey Act.

Inquiries of the Ministry

REPORTED LOSS OF TRACTOR SALE TO CHINA

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Trade and Commerce arising out of a disturbing report in yesterday's *Globe and Mail* that Canada has lost the sale of 400 tractors to China because United States law prevented the Massey-Harris-Ferguson Company in Canada from making this sale. Would the minister care to comment on the report, and can he tell the house what action he is prepared to take to protect Canadian sovereignty and to assure that United States laws shall not interfere with employment in Canadian industries by preventing the sale of Canadian goods?

Hon. George H. Hees (Minister of Trade and Commerce): I wish to thank the hon. member for giving me notice of his intention to ask this question. I presume that no consideration was given by Massey-Ferguson Limited to exporting tractors from Canada because I am informed they do not make tractors in their Canadian plants and do not have tractor manufacturing capacity in Canada.

There was no discussion between the company and the Canadian government with respect to any effect of United States foreign assets control, or any need of relief from the effect of this United States control under the arrangements which exist between the Canadian and United States governments.

There would appear to be no interference with employment in Canadian industries as suggested by the hon. member.

(Translation):

AIRPORTS

CHARLEVOIX, QUE.—INQUIRY AS TO COMPLETION

On the orders of the day:

Mr. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Transport.

Is the minister in a position to tell the house when the Charlevoix airport will be in operation?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, according to the information I have received from my department it will be towards the end of July.

(Text):

UNITED NATIONS

DISARMAMENT—PROPOSED ADMISSION OF RED CHINA TO DISCUSSIONS

On the orders of the day:

Mr. Walter Pitman (Peterborough): A press report indicates that the United States administration disarmament experts are considering the admission of China into any proposed disarmament scheme. Is the Secretary of State for External Affairs in a position to tell the house whether the Canadian government would favour the admission of China to such proposed disarmament talks?

Hon. Howard C. Green (Secretary of State for External Affairs): I suggest that this is a question to be discussed in the debate on external affairs, or on consideration of the estimates.

FIRES

QUEBEC CITY—POSSIBLE DESTRUCTION OF TRANS-CANADA HIGHWAY PLANS

On the orders of the day:

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Could the minister investigate to find out whether the fire that took place at the provincial parliament buildings in Quebec last Monday destroyed the plans and specifications for the future Ile aux Vaches location of the trans-Canada highway passing through Vaudreuil-Soulanges?

Mr. Speaker: Order. The hon. member seems to have gone a long way round about to bring this matter under the jurisdiction of the federal government.

(Translation):

THE CENSUS

REQUEST FOR TABLING NEW FORM

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to address a question to the Secretary of State.

On Saturday February 4, it was reported in *Le Devoir* that the amended census form was about to be printed. My question is this: Does not the minister think that it would be appropriate to table the new proposed form before having it printed?

Hon. Noel Dorion (Secretary of State): I am sorry, Mr. Speaker, but that question does not lie within my jurisdiction.

(Text):

[*Later:*]

Mr. Deschatelets: I should like to direct a question to the Minister of Trade and Commerce. It has to do with the new census questionnaire that is about to be printed. Does the minister not think that the new questionnaire should be submitted to all members of parliament before its printing is proceeded with?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, the new census form has been approved by the government.

Printing in both French and English is proceeding. The dominion statistician has advised me that samples in both French and English will be ready on Friday, and I have asked him to send copies of the form in English and in French to every member of the House of Commons and every member of the Senate as soon as they are ready.

Mr. Georges Valade (St. Mary): Can the Minister of Trade and Commerce tell the house whether the new census form to be printed is an improvement over the one used in 1951 under a Liberal government?

Mr. Hees: I would think the house would agree it is.

Mr. Speaker: Order. Questions of fact and opinion sometimes get mixed.

DEFENCE PRODUCTION

FORT WILLIAM, ONT.—MEETING WITH UNION REPRESENTATIVES

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Defence Production. Has the minister had discussions recently with representatives of the workers at Canadian Car, Fort William, in regard to possible defence contracts and, if so, to what effect?

Hon. Raymond O'Hurley (Minister of Defence Production): I had the pleasure of meeting the representatives from local 1075 of the workers of the Canadian Car plant in Fort William. I am happy to say that because of the pressure we have put on—although we like to see industry absolutely free from government interference—they have kept this plant running for the last two years. When I met the representatives of the local I made several suggestions. Among others I offered at their disposal the representative of my department in Detroit in production sharing and other work that we were trying to secure, with the consent of their management, for the Fort William plant.

CANADIAN NATIONAL RAILWAYS

REQUEST FOR DINING FACILITIES ON TRANSCONTINENTAL TRAINS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Transport arising out of the hardship recently caused C.N.R. passengers when a C.N.R. train lacking dining car facilities was trapped in the Fraser canyon for several days. In view of representations made by railway employees, would the minister discuss with the C.N.R. management the desirability of providing some dining facilities on all transcontinental trains?

Hon. Leon Balcer (Minister of Transport): I will be very pleased to take up the matter with the management of the C.N.R.

HIGHWAYS

HAINES CUT-OFF, B.C.—SUGGESTED YEAR-ROUND MAINTENANCE

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Northern Affairs and National Resources, notice of which I have sent him. Has the minister received a telegram from the city of Prince Rupert inquiring as to the position of Canada regarding the maintenance of the Haines cut-off on a year-round basis and, if so, can the minister tell the house what reply was given in answer thereto?

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): I received the telegram on February 6, and I replied to it in the following terms:

> Re your wire of February 6. Firm decisions must await results of the survey now under way and formal approaches from the United States.

[*Later:*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is supplementary to that asked by the hon. member for Skeena of the Minister of Northern Affairs and National Resources. In view of the fact that the economic development of the Yukon, including an existing mining operation wishing to ship high grade copper ore over the road from Haines junction in the Yukon to the tidewater port of Haines in the state of Alaska, is being seriously retarded due to the continued closure of the Haines road during the winter months, would the minister recommend the urgent need for the all-weather maintenance of the Haines road?

Mr. Dinsdale: Mr. Speaker, it was the interest of the Department of Northern Affairs and National Resources in the continuing development of the north that precipitated the study and survey now under way. I can assure the hon. member that I have requested that the study be completed as expeditiously as possible, and that the matter also be considered within the frame of reference of Canadian interests as well as the international aspect.

Inquiries of the Ministry

NATIONAL DEFENCE

REPORTED INTENTION TO DISBAND CERTAIN CF-100 SQUADRONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I wonder whether the Minister of National Defence would care to comment on a press report based on a statement attributed to senior officials of his department to the effect that certain CF-100 squadrons will be disbanded in the current year, and that those that are retained will be used mainly for warning and identification purposes.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I would not care to comment on this particular story, which I have not seen. However, I think the Leader of the Opposition will remember that my predecessor stated on two or three occasions last year both in the house and in the committee on defence expenditures, I believe, that the CF-100 squadrons would begin to be phased out in 1961.

[*Later:*]

Mr. J. R. Garland (Nipissing): Mr. Speaker, in view of what the Minister of National Defence has just said about the phasing out of the CF-100, can he say whether they will be replaced as this process takes place and with what?

Mr. Harkness: No, Mr. Speaker.

Mr. Garland: No, they will not; or no, he cannot say with what?

Mr. Harkness: Mr. Speaker, I cannot say.

TRANSPORT

CHIGNECTO CANAL—MEETING OF FEDERAL-PROVINCIAL ENGINEERING BOARD

On the orders of the day:

Mr. H. J. Michaud (Kent, N.B.): I should like to direct a question to the Minister of Public Works. Did the minister receive notification last week from the acting premier of New Brunswick that two departmental engineers have been named by the provincial government to act with federal engineers on a survey of the Chignecto canal? If so, can the minister tell the house whether a decision has been reached as to when the survey will get under way and when a meeting of the federal-provincial engineering group will be held?

Hon. D. J. Walker (Minister of Public Works): Yes, Mr. Speaker. After waiting since last summer for the new premier of New Brunswick to give us the names of engineers to co-operate with us in investigating the feasibility of the Chignecto canal, we finally received the names a few days ago. I can assure the hon. member that even at the present time the preliminaries to the study are getting under way, and a meeting between the engineers of the federal domain and those of the province will take place very shortly, we hope.

DRUGS

REPORTED CONSIDERATION OF FEDERAL INQUIRY INTO HIGH COSTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. In view of the great interest in the question of the high cost of drugs in this country, would the Prime Minister care to comment on the report in today's Ottawa *Journal* that the federal government is considering a public inquiry into the cost of drugs?

Right Hon. J. G. Diefenbaker (Prime Minister): No, Mr. Speaker.

GRAIN

FEED MILL PURCHASES FROM FARMERS, SASKATCHEWAN

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask a question of the Minister of Agriculture based on complaints that have been received that feed mills in the Saskatoon area are purchasing No. 1 feed barley for 39 cents a bushel at the farm or 55 cents a bushel at the mill. Will the minister comment on these prices, and particularly will he indicate whether he thinks they are consistent with the objectives of the wheat board?

Hon. Alvin Hamilton (Minister of Agriculture): Before I answer that question, would the hon. member give me the name of the feed mill in Saskatoon?

Mr. Martin (Essex East): Several complaints have come in and I have not the names directly in front of me, but I would be glad to give them to him. I have one here—well, I had better make sure of that. However, since the minister asks, perhaps I might read a letter that I have in this connection.

Some hon. Members: Oh, no.

Mr. Martin (Essex East): He has asked for it.

Mr. Speaker: The question and answer procedure is directed to those who are responsible for the administration. I think

the hon. member was asked for a name, but I do not believe he needs to supplement his answer by reading a letter.

Mr. Martin (Essex East): The minister asked for some information, and this is a matter of great concern. I shall be very glad to read this letter.

Mr. Speaker: The hon. member would not be in order in reading the letter.

Mr. Martin (Essex East): Then perhaps the minister will give me an answer, since I cannot give him the source of my information. Will he give us an answer to this very important question?

Mr. Hamilton (Qu'Appelle): It is very important to me to end all these misrepresentations that go on concerning this feed mill issue, so I asked the hon. gentleman to name the mill because to use the indefinite expression "feed mill in Saskatoon" means nothing to me. I happen to know the name of the feed mill in Saskatoon, and I wanted to know whether the information came from an authentic or a non-authentic source.

Mr. Martin (Essex East): The minister has certainly made a very serious allegation either against an hon. member of this house or against one of the farmers in western Canada. He has referred to this as misrepresentation. I hold in my hand now a letter from a farmer in Saskatchewan on this question, and the minister says that correspondent is guilty of misrepresentation.

Some hon. Members: No, no.

Mr. Martin (Essex East): I feel we ought to be able to put this on the record. In any event, the refusal of the minister to answer this question is a further indication of the lack of concern of this government.

Mr. Brunsden: Is the minister aware of the fact that the hon. member for Essex East and the hon. member for Assiniboia have been talking together lately?

Mr. Speaker: Order.

PENSION ACT

AMENDMENTS INCREASING PAYMENTS, PERMITTING APPEALS, ETC.

The house resumed, from Tuesday, February 7, consideration in committee of the following resolution—Mr. Churchill—Mr. Flynn in the chair:

That it is expedient to bring in a measure to amend the Pension Act to provide for increases to disabled veterans and their dependents; to permit payment of supplementary pensions in certain cases; to permit appeals from decisions of the former board of pension commissioners; and to provide for certain further changes in connection with the administration of the act.

Mr. Rogers: Mr. Chairman, prior to the adjournment of the house last night I had been referring to pension advocates. I may say I brought this matter up as a member of the standing committee on veterans affairs. My opinion is that throughout all the years these pension advocates have never been brought together for a refresher course. I submit the minister should look into this aspect of the matter. If the pension advocates were brought in for a refresher course, they could brush up on pension law, and I believe that it would help a great deal in the work. This would be following a practice that most organizations find helpful. I think this is most important, because it means a lot to the veteran in the preparation and presentation of his claim. In general, the pension advocates are doing a good job, but if they were brought together and given the opportunity to exchange ideas they would go back to work with new confidence and new ideas and do a better job.

My final observation is in connection with the proposed legislation. You will recall, Mr. Speaker, that at the outset I said that the Pension Act and the War Veterans Allowance Act were complementary one to the other. I would hope that certain amendments would be made to the War Veterans Allowance Act in order to conform with the increase in disability pensions. I have in mind a recipient who, for instance, is receiving a 10 per cent disability pension and at the same time is receiving war veterans allowance. Under the proposed amendment this recipient will receive an increase in the disability pension and under present regulations he will have his war veterans allowance decreased, a procedure which will in effect nullify the proposed increase. I hope provision will be made so that the recipients referred to will enjoy the proposed increases.

I do not suppose any provision is made in the proposed legislation or in the bill to come before the house, but I should hope that this matter will receive attention shortly so the recipients may enjoy the increase. If we do not do this, I think a great deal of confusion is going to be caused, and certainly a great deal of disappointment.

Mr. Badanai: Mr. Chairman, as a member of the committee on veterans affairs I wish to say a word of commendation on the introduction of amendments to the act which will provide for pension increases to disabled veterans and their dependents. I also wish to join with those who preceded me in this debate in extending to the minister congratulations on his appointment to one of the less controversial departments of the government. When I say this, I do not mean to convey the impression that there is always

agreement. However, on the whole the humanitarian aspect of the Department of Veterans Affairs is such that it does not offer the same area of conflict in ideas, because the subject is protected by a universal appeal to the better instincts of the members.

During the last two sessions of parliament I had the privilege of serving on the committee on veterans affairs, and at the numerous committee meetings which were held during those two sessions delegations were heard and many recommendations relating to the Pension Act were placed before the committee. This was, of course, to be expected. It is only natural that the most important subject of discussion at these committee meetings had to do with compensation for disabilities suffered by men in the service of the country. Throughout the course of the deliberations the then minister—he is now a member of the other place—who was indeed friendly, patient and even sympathetic to the problems of veterans, made it clear then that the Pension Act would not be up for amendment, but he intimated that in 1961 the act would come under review. I am therefore pleased that at last the amendments are being made in a revision which I hope will result in a fair increase in the pensions of veterans in order to enable them to meet the present-day cost of living.

As a matter of justice these pensions should be under constant review, and should not be allowed to be dormant or fixed for years. The Canadian Legion and the war veterans associations have recommended an increase in pensions across the board. We on this side of the house feel that this recommendation should be considered along with the pension for the disabled veterans.

Then there is the question of the Hong Kong veterans. A delegation of this organization appeared before the committee and renewed their appeal for special compensation. It is a problem which should be well known to the government and which also merits special consideration.

One of the matters that illustrates the crying need for revision of the act is certainly the ceiling on a veterans income, which is $145 a month for a married man. I have in my constituency several cases in which veterans are being penalized because they have been able to supplement their meagre allowance with odd jobs, and in some instances because their wives are working part time, something they do only because it is their only means of meeting expenses and providing not luxuries but bare necessities. I could give details with regard to individuals who are sometimes compelled by circumstances to seek city relief, as outlined in letters which I have received. I have two letters, as a matter of fact, one is dated October 4, 1960, and from it I wish to quote as follows—

[Mr. Badanai.]

Mr. Churchill: I rise on a point of order, Mr. Chairman. I hesitate to interrupt the hon. gentleman, who is dealing seriously with a serious subject. However, his earlier remarks dealt with an act which is not at present under review, namely the War Veterans Allowance Act under which a ceiling is placed on income. We are dealing here with the Pension Act, which has in it no such provision. I hope the hon. member is not going to get into a prolonged discussion with regard to the War Veterans Allowance Act.

Mr. Pickersgill: I must confess, Mr. Chairman, that I have not been able to be present during a good part of the debate. However, I understand that hon. members who have spoken previously have ranged fairly widely over the whole field of veterans affairs. I would hope that my friend the hon. member for Fort William would have extended to him by the Chair the same tolerance that has been extended to other hon. members.

Mr. Churchill: May I just say that I agree that there has been a wide ranging debate to which I do not object. However, while the other members who have taken part in the debate have made reference to the War Veterans Allowance Act they have not gone into details by talking about the ceiling and giving actual examples of people who perhaps have some objection to the way in which that act operates. I think we should restrict such references.

The Chairman: I agree that the debate has been rather wide but only references have been made to the other acts concerning veterans. I would think the hon. member for Fort William is going a bit too far in discussing in detail an act which is not the subject matter of the resolution before the committee.

Mr. Badanai: Thank you, Mr. Chairman; I shall omit reading the communication which I intended to read. However, I should like to point out one single phase which I think is pertinent to the discussion of this subject. This particular veteran at one point, in view of his eyesight not being good, applied to the Department of Veterans Affairs at Winnipeg. This man lives in Fort William. He wanted to get a pair of glasses which cost $28 in Fort William. He received from the veterans welfare officer a communication which in effect said this:

> Our Winnipeg office advises me that you wrote to the director general, treatment services, regarding glasses. I understand that you have been advised that these cannot be provided unless you are prepared to go to Winnipeg at your own expense.

It would cost at least $100 for a man to travel from Fort William to Winnipeg, wait probably two or three days to obtain a pair of free glasses, and return to Fort William. He could buy these glasses in Fort William for only about $28. I am merely pointing out the seeming lack of liaison among the various offices of the D.V.A.

Of course no Canadian war veteran should have to apply for charity for himself or his family, and I express the hope that the resolution we are debating today and which has been debated during the past few days will precede the enactment of legislation which will make unnecessary the humiliating recourse to public welfare. I think this is important.

The recommendations placed before the committee during both the 1959 and 1960 sessions of parliament by several veterans organizations have been most helpful to the members of the committee. I can also say that these submissions were made with dignity and restraint. There was, for example, the resolution submitted by the Army, Navy and Air Force Veterans in Canada which had been approved at their 1960 dominion convention. I wish to quote the resolution; surely this would not be out of order:

> Whereas the Pension Act states that in any application for pension, the applicant shall be entitled to the benefit of the doubt and the adjudicating body is directed to draw all reasonably inference in favour of the applicant; and
>
> Whereas the pension commission, the pension appeal board and medical authorities acting on their behalf, are not in many cases giving the veteran the benefit of the doubt;
>
> Therefore be it resolved by the Army, Navy and Air Force Veterans in Canada, in dominion convention assembled, that this obvious violation of the Pension Act be again called to the attention of the various bodies who adjudicate upon pension applications and be duly reminded of their statutory duty to give to the applicant the benefit of the doubt according to the clear and specific terms of the section above mentioned;

I commend to the minister the suggestions contained in this resolution and express the hope that they will receive favourable consideration. They are suggestions which should be considered by the Department of Veterans Affairs.

During the course of the debate on this bill we will have another opportunity to review the exact amendments which are proposed by the government. At the present time we can only speak in generalities, and that is one of the reasons I have pointed out the complaints and suggestions which I have received from many of my constituents. We hope that the considerations mentioned in this house during the passage of the bill will meet with the approval and approbation of our veterans, especially those who are in need of assistance.

Mr. Kennedy: Mr. Chairman, in rising this afternoon to say a few brief words on this resolution I should first like to join previous speakers in expressing my compliments to the new Minister of Veterans Affairs. He is a man who has rendered great service to his country in two wars. He is well known for his interest in veterans affairs throughout his public life and even in his private life. Since taking over this important portfolio he has demonstrated that he has the interest of veterans at heart, and I am sure they can expect him to give very great consideration to the many problems which still face those who served our country in time of war.

I should also like to pay tribute to my old friend the immediate past minister in this portfolio, Hon. Alfred J. Brooks. He also gave great service to his country and throughout his public lifetime displayed a very personal interest in the problems of those comrades with whom he served and who fought for their country in the first and second world wars.

It is hard for me, as a pensioner myself, to define the term "disability pension". I would rather refer to it as an earnest desire by a grateful people to compensate others for a part of their physical being given up in service to the country.

The proposed increase which is before the house will be welcomed not only by pensioners but by their comrades the other veterans, and by all people in this country who take some pride in the fact that we still live in a free country. Not all pensioners will definitely need this increased financial assistance, in the sense of a necessity to put daily bread on the table. But I would point out that everyone in this country has a responsibility, including those who suffer from disability.

The pensioner, like anyone else, has obligations to his family, to his friends and to the community at large. A disabled person does not have the same chance to fulfil these obligations; therefore he or she must do other things to compensate for that deficiency. With an increase in remuneration, this money can go some way toward filling this gap. Not only will this proposal today benefit the pensioner himself, but it will bring great benefit to those around him and to the community at large.

There is one aspect of the resolution as explained by the minister which is very commendable. This legislation seeks to plug some gaps in the set-up. No matter how well things are set up to provide for the many, there are always the few who seem to be on the fringe and who are called upon to suffer under certain circumstances. I am very pleased to see that this resolution at

least tends to plug some of those gaps. I would recommend that the minister and all those who are concerned with this or other veterans' legislation look into the many other gaps which still exist.

On other occasions in this house I have expressed my concern regarding the older veterans, the veterans of wars prior to 1939. These men have now reached the eve of their lives. Many of them do not have too many years to look forward to. Many are drawing small disability pensions supplemented by war veterans allowances. The implementation of this increased pension will not bring any fuller benefit to many of these people. I would therefore urge the minister to give every consideration to an early review of the War Veterans Allowance Act in order that some additional benefit may accrue to these people who because of age and infirmity are deserving of some comfort in their few remaining years.

I do not intend to take any more of the time of the committee at this stage. I am anxious as I am sure are all hon. members and the people of Canada to see what is contained in this bill. I will now resume my place and if there is anything further I have to say I shall bring it up when the bill is before us.

(Translation):

Mr. Deschatelets: Mr. Chairman, this is legislation to increase pensions for disabled veterans and their dependents. The resolution further aims at adding new provisions and introducing certain amendments to the act.

At this time, we are being asked to approve the principle of those increases, without knowing their scope. When we have the bill before us, we will be in a better position to appreciate its scope and, if necessary, to criticize the bill if we find it inadequate to meet the veterans' present needs.

There is no doubt that, in principle, the resolution is welcomed by all hon. members in this house. We all have, in our respective constituencies, veterans of the two world wars, and of the Korean war. We are so much indebted to them that we should never miss an opportunity to provide the greatest possible security for them and their dependents.

In this respect, I would like to take the opportunity of this resolution to say a word or two on the present position of our veterans, a great number of whom—and I know the present minister is quite familiar with the situation—have had great difficulty in readjusting to civilian life and are in a sad plight because of present economic conditions and prevailing unemployment.

In that light, I think the government is not giving the veterans the help and support required to meet their needs and those of their families.

I followed yesterday with great interest and some curiosity the highly emotional speech made by the Associate Minister of National Defence. It was a fine piece of oratory, but I am trying in vain to find anything which might be of practical assistance to our veterans in dealing with their problems. It is certainly not with such speeches that their position will be improved.

The Associate Minister of National Defence was very cautious. He referred only briefly to the economic angle, as can be seen on page 1809 of *Hansard,* where he is quoted as saying:

> This increase will stave off the destitution which unfortunately threatens quite a few of our veterans.

We would have liked the Associate Minister of National Defence to elaborate on that point, because he himself is a veteran with a very distinguished record in the last war, of which he can rightly be proud. But that is not the point. Our responsibility as legislators is rather a question of enacting practical legislation to help a class of people—in this case the veterans—who are given a privileged position, and rightly so, with regard to employment in the civil service. However, when it comes to awarding jobs, it does not seem that we are doing enough at this time to help a class of citizens to whom we are so greatly indebted.

The Associate Minister of National Defence, as well as other members on the government side, rather skipped over the political aspect in yesterday's speeches. Indeed, on the basis of their statements, one might think the world only started in 1957. Now, with all due respect to the present Minister of Veterans Affairs (Mr. Churchill) and to the former minister (Mr. Brooks), there have also been other ministers of veterans affairs in the past few years. There was the Hon. Milton Gregg who, if I remember correctly, was not only a veteran, but a recipient of the Victoria Cross. There was the Hon. Ian Mackenzie and the Hon. Hugues Lapointe.

They were all veterans, and today, it is simply a matter of amending a piece of Liberal legislation. Indeed, we took such good care of our veterans in the years preceding 1957, that the Associate Minister of National Defence, in his address, unconsciously recognized it when he said, and I quote from page 1809 of *Hansard*:

> When I came back from the war in 1945, I was fairly discouraged, and if it had not been for the good care and encouragement I received in veterans hospitals, I wonder whether my convalescence would have been as short, and if I could have made such rapid progress as I did.

He was thus paying tribute to former Liberal ministers of veterans affairs, and I am delighted to have this opportunity today to put the record straight.

Now, Mr. Chairman, in our constituencies we are very often visited by veterans. They are usually in trying and distressing circumstances, and we refer them to the veterans' office on McGill street in Montreal. Now, everyone knows that the staff of that office cannot do a thing to help them at the present time, for all their good intentions. So without minimizing the good effects of this legislation, I would have liked the many Conservative members who took the floor to laud the government for introducing this legislation, to soft-pedal their praise and recognize the hard fact that the first thing our veterans want is jobs. That is what they want. And they are the first to suffer from the situation in which the government has placed them for the last two or three years. That is what I should like the government, and particularly the Minister of Veterans Affairs, to keep in mind in introducing the bill which will follow this resolution.

Under present conditions, veterans' preference, as applied under the provisions of the existing legislation, does not mean a thing, because there are no jobs. Again, without minimizing the possible importance of this bill I say it does not go far enough, and that very special consideration should be given our veterans who are the first to suffer from the unemployment problem facing us today.

I hope that before introducing his bill, the Minister of Veterans Affairs will take these remarks into consideration.

(Text):

Mr. O'Leary: Mr. Chairman, from the year 1920 until 1957 veterans pensions have been increased on but three different occasions. Let me quote single rates. The first increase came in 1947 when the amount for a single 100 per cent disability pensioner was increased from $900 yearly to $1,128. Then in 1951 this amount was raised to $1,500 yearly, and finally, in 1957, it was raised from $1,500 to $1,800. Thus we see that over a period of some 37 years only three increases have been granted, or an average of one increase for approximately every 12 years.

If we take the increase of 1957 and the one proposed in the resolution before us we note that we shall have had two increases in a little over three years, or an average of approximately one increase for every one and a half years since 1957. I give these averages merely to indicate that the interest of the government on behalf of our veterans is steadily and rapidly increasing rather than diminishing as the years pass.

As further testimony of this fact we need only to mention the emergence of the veterans charter following world war II, the setting up of the standing committee on veterans affairs in 1958, and the work undertaken by that committee since its inception. Its review of some four pieces of legislation and subsequent amendment and improvement by this house all bear witness to the ever growing interest in the affairs of our Canadian veterans.

The present resolution before us and what it will mean for our disabled veterans are very warmly welcomed on all sides of this house and across the country generally. Like others who have spoken on this resolution, I warmly congratulate and commend the minister on having introduced it. Since I am mindful of the keen and broad interest which such a subject arouses and realize that every constituency in Canada will experience the favourable results, my words will be brief in order to assure time for many others who I know would like to make their comments.

Of the approximately 20 members who have already spoken on this resolution I have noted that the majority expressed some dissatisfaction with the pensions commission application of section 70, or the benefit of the doubt clause. I, too, very strongly feel that the commission is not carrying out the intent of parliament in many of its decisions which adversely affect our veterans. The purpose or intent of section 70, as set out by parliament, permits, if not instructs, that body to give the veteran the benefit of the doubt when further or more conclusive medical evidence is desirable before award. In many instances, as has already been pointed out, it would appear that instead of such interpretation the board has taken the view that sufficient and conclusive evidence

should be presented to the degree that there can be no element of doubt in their minds that an award is justified. I sincerely hope that in the future the original and actual intent of parliament will be more carefully observed and that as a result a greater and a completely justified leniency will be shown the claimants.

I realize that at times the veteran, or the person or persons preparing and compiling his evidence, may be partially at fault in not doing a more thorough job. This necessitates appeals and abhorrent delays. Here I wish to pay a special word of tribute to the service officers at dominion command here in Ottawa for their efficient and excellent work on behalf of veterans of this country, and more particularly on behalf of veterans in my constituency, of which I have a first-hand knowledge. Identical words of praise go also to our district pensions advocate in the Halifax office.

I should like to devote some time to what I feel would be a consideration of desirable and timely changes in our war veterans allowances legislation. However, since it is the Pension Act which is before us, and with the hope that an opportunity will be provided us in the veterans affairs committee to consider this matter which is so closely and directly allied with pensions themselves, I will desist at this time.

In conclusion, I merely wish to say that as a veteran, as a member of the standing committee on veterans affairs and as a backbencher from a very important constituency I wish to thank the government and the minister sincerely for having introduced this resolution.

(Translation):

Mr. Parizeau: Mr. Chairman, I would like to join with previous speakers in expressing my best wishes to our new Minister of Veterans Affairs (Mr. Churchill). Because of his military reputation and because he took part in the last two wars, we are sure that the minister will give consideration to our veterans' problems and solve them by meeting their requests, which are justified since these people sacrificed their lives to protect the freedoms we hold dear.

At the same time, I want to thank the former minister of veterans affairs, Colonel Brooks, who, with the government, amended the legislation to give the veterans part of their due.

[Mr. O'Leary.]

I heard the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) say earlier that before we came to office, veterans had been well taken care of. Let me tell the hon. member that as soon as the Conservative party came into power, one of the first acts to be adopted was that which increased veterans allowances by 17 per cent, while during their three last years in power, our friends had granted them only an increase of a mere 3 per cent.

I will go further and say that during 1956 and 1957 their government spent only $130 million on that score, while in 1959 and 1960 our veterans and their dependents have received an increase of $149 million. We of the Conservative party are devoted to the cause of our veterans; I would even say that we are the first government of Canada to have in our ranks so many veterans.

The Hon. Mr. Brooks and his government have amended the act to allow the benefits to be paid from the special fund provided by the War Veterans Allowance Act, which means an increase of 410 per cent under our administration.

So, may I point out again to the hon. member for Maisonneuve-Rosemont that we did more during the three years we have been in office than the government of which he was a member did during the period from 1945 to 1956. Besides, by this resolution, we intend to increase further the allowances and benefits paid to those who fought for us during the last two wars. In fact, I notice that we want to authorize the payment of additional pensions in certain cases and permit appeals from decisions of the former pension board.

Mr. Chairman, I should like to point out to the minister that on several occasions veterans have come to me with their case. I am really surprised that the Canadian pension commission should refuse either an increase or a pension to certain veterans. The decision is always based on the famous section—I think it is section 7—concerning marginal cases. I think that a man who served in the Canadian army either during the 1914-18 war or during the 1939-45 war, who underwent intense training, who fought in France and Italy, certainly lost part of his health there even if he was not wounded. Therefore I repeat that I am surprised that the commission should never give those veterans the benefit of the doubt.

I should like to draw the minister's attention to one particular case. A certain Mr. Bergeron, a resident of my constituency,

served six years in the army, that is, from 1939 to 1945; he served in France and in Germany, and during his period of service he was treated for rheumatism and was confined for 15 days. Now, the Canadian pension commission refuses to recognize that this man had to leave his job because he could not continue to fulfil his duties on account of his health, and the commission will not award him a certain percentage of pension although he contracted that disease while serving in the army.

I have another case, that of a certain Mr. Grandisson concerning whom a letter dated February 3 was addressed to me. This man receives a 40 per cent disability pension. He lost a lung as a result of a wound suffered in action and his doctors will not let him work because he cannot even handle a shovel. The pension commission refuses to award him an increase or find him a job at the veterans hospital.

I should like through you, Mr. Chairman, to draw the minister's attention to those two cases I have just mentioned, so that the Canadian pension commission would forget sometimes that the veteran making an application has no intention of obtaining money to which he is not entitled, but merely what is due to him for his sacrifices during the war as a compensation for losing his health while serving his country.

There is another point that I should like to raise. There are in our ranks and outside our party today people who fought in the last two world wars, the first from 1914 to 1918, and the second from 1939 to 1945. On their discharge, they were enjoying perfect health, but today, at the age of 55, 60 or 65, they are afflicted with certain illnesses. I am not asking for a pension on their behalf, because they do not want any. But those veterans should at least get free hospital care.

I am sure that after five or ten years of war service, the incapacities afflicting those veterans today are due in great part to their military service.

Speaking of hospitals, I should like to point out to you that several veterans who are friends of mine come and tell me that there is certainly room for improvement in the Ste. Foy hospital services in Quebec. If I did not shy from it, I would recite a case which concerns me personally, since I am a pensioned veteran, and which would show how we are sometimes treated by the authorities of the Quebec Ste. Foy hospital.

I therefore ask the minister to inquire into the matter for the betterment of the hospital services provided in the Quebec area for our veterans.

Mr. Chairman, let me conclude by saying that 1,250,000 veterans will surely be happy to see our government enact this new legislation. For my part, I support this resolution.

I am sure that under the command—I can use that word—of the minister, our veterans will be proud of the present and will continue in the future to enjoy any new legislation he will introduce.

If we can express ourselves freely today and if we can look forward to the future with confidence, we owe that privilege to those who fought in the Canadian forces, to those disabled veterans who suffered the horrors of war, but who, thanks to their sacrifice did enable us to preserve the liberties which we so dearly cherish.

(Text):

Mr. Winkler: Mr. Chairman, I will be very brief in my remarks. May I begin by stating, as other members have stated, that the veterans of Canada will indeed be very proud of this legislation and happy to know that their situation and circumstances have been recognized by the government. I congratulate the minister on bringing in this legislation at this time and also on the assumption of the portfolio in which he now finds himself where I am sure he will be as successful as he was in his former portfolio.

In a previous session I brought to the attention of the house the fact that certain inequities exist in the administration of pensions, and that is my reason for speaking today. I did so on July 10, 1959, and therefore I wish to put before the committee a couple of points I have in my mind. In order that I may be clearly understood in the beginning and not called to order as I probably could be, may I say that I trust the minister—and I am sure he will in the not too distant future—introduce similar amendments to the War Veterans Allowance Act.

It was indeed somewhat of a disappointment to me to hear the hon. member for Maisonneuve-Rosemont make a political argument by way of interjection in the debate, and under the circumstances I think he should have been called to order as another member was for being out of order in the remarks he was making. This is a

matter that concerns veterans and the Pension Act and certainly it has nothing to do with the subject matter that he was placing before the house. I might refer the hon. member to the discussion that took place in the house in 1946 when the minister and his parliamentary secretary were presenting legislation at that time comprising the veterans charter. On that occasion the minister particularly said that he appreciated the co-operation of the members of the Conservative opposition in making their views known in a non-partisan way. The interjection made by the hon. member this afternoon was anything but the type of co-operation that was sought at that time by his party when legislation and amendments were before the house.

The points I wish to bring to the attention of the house are simple and I will be very brief. The increase envisaged in the present amendment is certainly one that will be well received and I am sure it will raise the standard of living of those receiving medical pensions to a level which they justly deserve. In particular I hope that some consideration will be given in the legislation to the interpretation of the benefit of doubt clause, to which reference has already been made. I believe this matter was made very clear back in 1945. It has been pointed out to me on several occasions that the benefit of doubt clause was included for the clarification of particular cases in the minds of the pension commissioners. I do not believe that this is so. I think it was made very clear in the house on August 1, 1946 by Mr. Tucker, who was at that time the parliamentary assistant to the minister. He made these observations, as recorded at page 4179 of *Hansard* for that date, and I should like to repeat them now for the benefit of the committee:

> Mr. Chairman, just to put it as briefly as possible, the Pension Act provides that if a disability is due to service it is pensionable; if it arises during service it is pensionable; if there is an aggravation of a condition which a man had when he went into the service, and he has had service in a theatre of actual war, and the disability was not obvious, wilfully concealed, or recorded on medical examination prior to enlistment, he not only gets pension for the disability in respect of the aggravation but he gets it in respect of the entire disability. Of course that does not apply in respect of service in Canada only. If he did not serve in a theatre of actual war he gets the pension in respect of the disability, or the aggravation of the disability, as the case may be, to the extent that there is an aggravation. That is putting it, I think, as simply as I can.
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> Now, in interpreting whether the disability arose during service or was due to service, we have the section which is in dispute today. The way it was worded before was:
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> "Notwithstanding anything in this act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences in favour of the applicant."
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> That made the language as explicit, perhaps, as the English language could make it, that if there was any doubt whether this disability was incurred during service or was due to service, or the aggravation was incurred during service or was due to service, the applicant was to get the benefit of the doubt. I really do not see how it could have been made much plainer; but in deference to the committee and in accordance with what the hon. member for Vancouver South—

This indicates very clearly how the benefit of the doubt clause is to be interpreted. As a previous speaker mentioned, it may be time now to discuss again with the members of the pension commission their interpretation of the legislation that has been brought down in the house.

I knew of one case in which a veteran was released from the service at the end of the first world war with a valvular heart condition. His own physician treated him for the entire period until he died in 1958 of a coronary. His widow did not receive any pension, so was advised to take the case before the appeal board. She did so and produced evidence from her husband's personal physician, but was again turned down by the appeal board. At this hearing before the board the man's personal physician stated, without any doubt, that the condition which the veteran had at the time of his discharge from the Canadian army resulted finally in his death. As a result of his ailment this man had been receiving a 49 per cent or 50 per cent pension, but on his death the board did not see fit to grant his widow any assistance. I feel this is an obvious case in which the benefit of the doubt clause was not used in its proper sense.

I feel, too, that it would be advantageous in considering the welfare of the dependents of pensioners in particular categories, possibly those with 50 per cent pensions or more, to study the possibility of granting the wife and the children under the age of 16 entitlement to hospitalization. If we are to accept the responsibility for the veteran in this particular category, and for his infirmities and disabilities, then I think we should be prepared to provide support in this way in so far as his dependents are concerned. I am sure some arrangement could be made by the Department of Veterans Affairs with the provincial governments to take care of the cost.

I should like to discuss other points that I had in mind, but most of them have been

discussed by other members. I shall, therefore, wait until the second reading of the bill to make any further remarks.

Mr. Jones: Mr. Chairman, this is the first occasion on which I have had the opportunity, in my present capacity, of speaking on veterans affairs. I should like to say, first, what a pleasure it is to me to have been given the opportunity to serve this particular minister in this capacity. The record of the Minister of Veterans Affairs in service to his country, particularly in service to the military forces, is most outstanding as anyone can see by referring to his biography. He has had 26 years of service in the military forces and brings to his portfolio a thorough knowledge of veterans and their problems. He has a warm heart and a sympathetic understanding, which I believe are prerequisites of the minister of this department.

In so far as his predecessor Colonel Brooks is concerned, I should like to say how much all members of the house appreciated the efforts he made on behalf of the veterans. We wish him well in his career in the other place. May I say in regard to my own predecessor, who is now the Minister of Northern Affairs and National Resources, that we extend our congratulations to him. I think I have the honour of being the first parliamentary secretary to the Minister of Veterans Affairs who has a veteran for a wife.

The legislation which will follow this resolution, in addition to the increases in the pensions which have been referred to by the minister, will include provision for pensions on behalf of dependent children being continued until the end of the month in which the child reaches 16 or 17 and they will not stop on the day after the child's birthday, as is the case now. Then when the widow dies her pension and that of the children may continue to be paid to any person who is capable of assuming or has assumed the care of the children. Under the old legislation it could only be continued to a daughter. I am rather surprised that this amendment has not been introduced before now. I am glad to see it is being recommended to the committee.

If this legislation passes, additional pension may be paid to the woman who lives with a man for at least seven years and has been publicly represented as his wife. She may also receive the widow's pension upon his death, if she is otherwise qualified. This provision only applies in cases where the marriage cannot take place because of a previous undissolved marriage on the part of either party. I might point out that this provision has been contained in the War Veterans Allowance Act for some years.

Another of the resolutions which have been brought to the attention of the government by the Legion is that increases have been made in the last illness and burial expenses so that the maximum amount under this act may be available as under the veterans burial regulations.

I should like to say a few words about some of the resolutions which were drawn to the attention of the government by the Canadian Legion, particularly those that had been referred to hon. members in the course of the debate on this resolution. One of the resolutions put forward by the Canadian Legion is as follows:

> Therefore be it resolved that we continue to press our demands that the government increase the rates payable under Schedules A and B of the Pension Act to bring them more in line with the wage index and standard of living.

I am extremely pleased, as I am sure are all hon. members, that it has been possible for the minister to give assent to that request. In dealing with the Legion resolution might I say at this time what a happy and fortuitous event it has been that the president of the Canadian Legion happens to come from my own constituency, namely Saskatoon. Professor Mervin Woods, who has had a distinguished career in law and in the teaching of law and long service in the armed forces and in the ranks of the Legion will bring to his task the wisdom, energy and ability which that great post demands.

If I may do so I should now like to say a few words with regard to the Legion resolution relating to special problems involving Newfoundland. Several of the Newfoundland members have spoken in support of the resolution put forward by the Canadian Legion to the effect that a change be made in the Pension Act in order to make clear the status of Newfoundland veterans in accordance with the spirit of negotiations leading up to the terms of union.

Every since the union of Newfoundland and Canada in 1949, under article 38 of the terms of union a Newfoundlander who served not in the armed forces of Canada but in those forces raised by Newfoundland and the United Kingdom has been required if he sought pension to apply first of all to the United Kingdom. Then, after having done that, he could apply to the Canadian pension commission for supplementation which would bring the total he received up to the Canadian pension standards, the same as any other Canadian. At this point I might perhaps just refer to the article in the terms of union to which I have made reference, namely term 38. It reads as follows:

> 38. Canada will make available to Newfoundland veterans the following benefits, on the same

basis as they are from time to time available to Canadian veterans, as if the Newfoundland veterans had served in His Majesty's Canadian forces, namely,—

I will skip paragraph (a) and go on to paragraph (b) which is the pertinent subparagraph, and which reads as follows:

(b) Canada will assume as from the date of union the Newfoundland pension liability in respect of the first world war, and in respect of the second world war Canada will assume as from the date of union the cost of supplementing disability and dependents' pension paid by the government of the United Kingdom or an allied country to Newfoundland veterans up to the level of the Canadian rates of pensions, and, in addition Canada will pay pensions arising from disabilities that are pensionable under Canadian law but not pensionable either under the laws of the United Kingdom or under the laws of an allied country;—

Hence the position of Newfoundland veterans was that if they were rejected for pensions by the United Kingdom they could still apply to the Canadian pension commission. This latter was a right which was not granted to Canadians who served in the allied forces up to the date of the introduction, and we hope eventual passage, of this particular resolution and bill. Up to the present time Canadians who served in the forces of the United Kingdom or in other allied forces could not apply to the Canadian pension commission unless the allied government granted them at least some pension. Once they obtained an award, they could apply to the Canadian pension commission to have that pension brought up to Canadian standards. However, if they were unable to qualify for a pension under the conditions laid down by the allied government those Canadians, unlike the Newfoundlanders, were precluded from applying to the Canadian pension commission for entitlement on Canadian grounds.

As was mentioned by the minister on December 12, as reported in *Hansard* on page 735, this form of discrimination will be removed by the proposed amendment. On that occasion the minister stated as follows:

Then with regard to Canadian citizens who served in allied forces during either of the wars, it is proposed to bring in an amendment so that they may claim entitlement from the Canadian pension commission when their claims have been rejected by the government of the allied force in which they served.

The Legion suggests in effect that article 38 of the terms of union be looked at in order to see whether Newfoundland veterans are entitled to go straight to the Canadian pension commission for a pension without reference to the United Kingdom at all and in effect to absolve the United Kingdom from any contribution at all to the pensions of Newfoundlanders who served in the United Kingdom forces—that is to say any of the new pensions—or alternatively, although I do not think this was suggested by any of the hon. members who have spoken, that some sort of financial arrangement be worked out with the United Kingdom so that in the event that the Canadian pension commission awarded a pension in the first instance, to which normally the United Kingdom would have made a contribution, that contribution would still be made by the United Kingdom to the Canadian treasury in compensation.

The nub of the matter in so far as the Newfoundland veterans are concerned is simply this and no more than this. It is simply that they wish to avoid the time it takes in first making application to the government of the United Kingdom. I want to assure the Newfoundland veterans that their problems, just as are those of veterans in any other part of Canada, are of vital concern to me personally and to the Department of Veterans Affairs. I have had friendly relations with Newfoundlanders for many years. During the last war on many occasions I had the good fortune to stop in Newfoundland while going to and from Europe. I always looked forward to and enjoyed those stops and I have kept up some of the contacts I made on those occasions.

As a matter of fact, on first coming to the House of Commons in 1957 I had the pleasure of rooming with the hon. member for St. John's East and immediately struck up a lasting friendship with him which carried forward into work. He and I started a research project into the possibility of establishing transshipment ports in Newfoundland in order that grain could be kept stored in marketable position. The research that we started at that time is still going forward and as a matter of fact is broadening in order to provide marketable storage positions for grain in other places as well.

Therefore my relations with Newfoundlanders have always been warm and cordial, and may I say to the Newfoundland members that they may be assured that I intend to ask at the earliest possible opportunity for a study to be made of term 38 both by the Department of Veterans Affairs and the Department of Justice, in order that the fullest consideration may be given to the representations which have been made both by the Canadian Legion and by hon. members of this house.

The hon. member for Swift Current-Maple Creek, in a very thoughtful address, mentioned the problem of conditions not recorded on enlistment. He referred to the Canadian Legion resolution on this matter, to the effect that section 13 (1)(a) of the Pension Act be amended so that where a pension applicant who served in an actual theatre of

war is found to have a disability resulting from an injury or disease not recorded on medical examination prior to enlistment, such injury or disease shall be presumed to have occurred or have its inception subsequent to enlistment.

This particular point was referred to by other members in the course of their addresses. I think some question has been in the minds of the Canadian pension commissioners as to whether or not this particular proposal would in fact result in facilitating more generous awards. But I think this particular problem affords us a good opportunity for review in this house and in the veterans affairs committee and to bring this matter to the attention of the Canadian pension commission in order to have as full an explanation as possible of their attitude in regard to this matter.

Many hon. members spoke about the benefit of the doubt clause, and indeed the Canadian Legion had a resolution on that particular point also. Their resolution reads:

That the government take action to ensure that the benefit of the doubt as set forth in section 70 is in fact extended to all applicants under that act.

As hon. members know, the Canadian pension commission is an independent body and is in no way responsible to the Minister of Veterans Affairs, although it reports through him and although he is charged with the responsibility of bringing before cabinet recommendations for changes in any legislation affecting that commission. He is but the spokesman for the commission. The Canadian pension commission is responsible directly to parliament. Because of this it is very helpful to have the suggestions of hon. members expressed here and in the veterans affairs committee for the continued improvement in the way it functions.

Many members have made very useful and thoughtful suggestions in the course of this debate which I am sure will be of great help to the Canadian pension commission when it considers the report of this debate. Particularly, as I have mentioned, hon. members have made reference and many suggestions in regard to the operation of this benefit of the doubt clause.

One question I myself have heard on many occasions over the years, and upon which I would like to have some comment, is whether, in awarding pensions for nervous conditions or mental illness resulting from war service, sufficient weight is given by the pension commission to section 70 in dealing with these matters. Argument is made that mental conditions are with one from birth and if such conditions be considered for pensionable purposes at all they should be considered as to the extent of aggravation of the nervous condition or mental illness due to war service. However, I would like to point out that my information is that this premise is not proved by any means. Much doubt exists as to the prime cause of mental illness, as well as some doubt as to the precise factors which increase its severity.

I would be very happy if the Canadian pension commission would reassess its stand in regard to this matter, giving full weight to sound, modern psychiatric knowledge and practices and to the benefit of the doubt clause. No veteran suffering from mental illness resulting from or aggravated by war service should be denied pension treatment unless there is no doubt that his illness did not in fact result from war service.

Another matter which might be considered in the committee is the resolution of the Canadian Legion to the effect that the additional allowances in respect of wife and dependents being paid to those pensioned at less than 50 per cent at the time of death be continued to the widow and such dependents so long as they remain eligible as otherwise provided under the act. Many members of the house have raised this question. It has been one of concern and one which I think would be capable of solution only by joining the experience of the members of the house and members of the committee with the experience of the Canadian pension commission.

The suggestion that allowances be continued to the widow and children after the death of the pensioner receiving less than 50 per cent pension is a new one in that particular term. It is of course closely akin to earlier suggestions that the widow and children receive pensions in cases where the pensioner is in receipt of less than 50 per cent disability pension and does not die of his pensionable disability. Might I suggest that this particular resolution receive, if it is considered appropriate by the veterans affairs committee, its attention for recommendation and suggestion.

The hon. member for York-Sunbury made a suggestion as to the composition of appeal boards. The Canadian Legion, too, had a resolution about this particular problem. The Canadian Legion urged the pension commission to ensure that all appeal boards are composed of one lawyer, one doctor and one layman, and if necessary reconstitute the board to make this possible. I understand that every attempt is made to follow the request contained in this particular resolution when appeal boards are being convened. The composition of appeal boards is, however, dependant upon a number of factors, including the composition of the commission

itself. Under existing circumstances I am advised that it is not possible to abide by the request contained in this resolution at all times, but that, as I point out, the commission does try to follow the request wherever possible.

The hon. member for Burin-Burgeo made some reference to earlier pension commissions. I gathered from the remarks the hon. member made that what he wanted was a brief review of the history of the various bodies which have been clothed with jurisdiction in pension matters during recent times. I have here a brief list indicating the various bodies which have had that jurisdiction from 1916 to date, and if it would be helpful to hon. members and the members of the veterans affairs committee I should like to place this list on the record at this time.

Order in council P.C. 1334 dated June 3, 1916 created the first organization to deal solely with war pensions. It was called the board of pension commissioners and consisted of a chairman and two members. It was expressly provided that there would be no appeals from decisions of the commission, but dissatisfied applicants could present their cases either personally or by counsel before the full commission sitting for the purpose of hearing the complaints of those who may have been dissatisfied with decisions given in the ordinary course of administration.

The next change occurred in 1919 by way of chapter 43, 9-10 George V. Statutory provision was made for a commission to be known as the board of pension commissioners, consisting again of a chairman and two members. I will not go into the duties of that commission other than to say that provision was made for two or more commissioners to sit for the purpose of hearing the appeals of dissatisfied applicants or pensioners. This provision was repealed when the federal appeal board was created in 1923.

In 1923, by way of chapter 62, 13-14 George V, the federal appeal board was created, consisting of a chairman and not less than four nor more than six members. This was abolished in 1930 by way of chapter 35, 20-21, George V. In that year a pension tribunal was created consisting of a chairman and eight members as well as a pension appeal court consisting of a president and two members.

In 1931, by way of chapter 44, 21-22 George V, the pension tribunal was increased to a maximum of 12 members with a minimum of 9 members, one of whom was to be chairman.

In 1933, by way of chapter 45, 23-24 George V, the board of pension commissioners and the pension tribunal were abolished and the Canadian pension commission was created consisting of a chairman and not less than 7 members nor more than 11 members. I believe this is the point about which the hon. member for Burin-Burgeo was inquiring. Provision was also made in 1933 for the hearing of dissatisfied applicants by quorums of the commission holding public hearings at convenient places throughout Canada. The pension appeal court continued as the final court of appeal.

In 1936, by way of chapter 44, 1 Edward VIII, provision was made for the appointment of ad hoc commissioners if and as required and not to exceed five. The procedure was amended to first hearing, second hearing, personal appearance and appeal. The quorums were continued and the pension appeal court remained as the final court of appeal.

In 1939, by way of chapter 32, 3 George VI, quorums were abolished and the pension appeal court was abolished and its power of final decision transferred to appeal boards of the commission to consist of three members of the commission holding sittings at convenient places throughout Canada. The procedure established consisted of first hearing, second hearing and appeal. Perhaps that summary may be of some use to hon. members in relation to this matter.

The Deputy Chairman: Order. I am sorry to interrupt but I must advise the parliamentary secretary that his time has expired. Although I have recognized the hon. member for Lincoln, perhaps he would yield the floor to the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: Mr. Chairman, I will not long detain the hon. member for Lincoln, but I could not fail to rise after the parliamentary secretary spoke to express my disappointment at what he had to say about the Newfoundland veterans. As my friend the hon. member for Humber-St. George's indicated last night when I was unable to be in the chamber, I concur fully in the representations made in their speeches by the other four hon. members on this side of the house from the province of Newfoundland. Our hopes were raised by the previous minister in 1957, the last time the act was opened. The then minister promised a study at that time and now the parliamentary secretary promises a study at this time of the same question. One wonders what has happened in the three-year interval.

Moreover, the parliamentary secretary did not say anything whatever about what, after all, is the largest single group of Newfoundland veterans who have what we think is a legitimate grievance. I refer to the forestry corps in Newfoundland. The mere fact that they were not enlisted men and did not wear a uniform in world war II, although they did

in world war I, has created the curious anomaly that although the Canadian forestry corps in both wars and the Newfoundland forestry corps in the first war are pensionable, the Newfoundland forestry corps in the second war are not, notwithstanding the fact that in the United Kingdom they worked side by side with the Canadians, did exactly the same kind of work and were subject to exactly the same sort of hazards.

It may well be asked what right have I to get up and say anything on this subject because from 1953 to 1957 I was a member of the government and was the representative in the government of the province of Newfoundland. While I admit all that, as my friend the hon. member for Burin-Burgeo pointed out, this problem was not brought to our attention at that time by these people. I am not saying it would necessarily have been dealt with if it had been but if we did not do what was right then that can be no excuse for not doing what is right now. I appeal to the government. Instead of giving the stock answer "Why didn't you do it?" the government should do it and get the credit that we might have got if we had done as we should have.

Mr. Phillips: At least the hon. member is honest.

Mr. Pickersgill: The hon. gentleman expresses great surprise that a member of parliament should be honest.

Mr. Phillips: It is nice to see the hon. gentleman being honest.

Mr. Pickersgill: Honesty on the part of members of parliament does not surprise me. I think most hon. members on both sides of the house are honest. I was saying that this is an anomaly. It is something that is impossible to explain, except—as my friend the hon. member for Burin-Burgeo reminded me a moment ago before I rose to speak—by reason of the fact that the commission of government did not recognize these forestry veterans before confederation. It should also be remembered that the commission of government was not elected by the people of Newfoundland but was a government imposed on them. It was not a government representative of Newfoundland that failed to give this recognition.

I think it was unfortunate that it was not included in the terms of union. I am not saying there is any repudiation of the terms of union in not recognizing these forestry veterans. I am saying it is a matter of natural justice, of treating them on the same basis as they would have been if confederation had been in 1939 instead of 1949.

I am glad to see what the government is proposing to do for these older Canadians who enlisted in the United Kingdom and allied forces in putting them on a level with the Newfoundlanders but one must remember that the Newfoundlander's position is quite different. The United Kingdom forces were the Newfoundlander's forces between 1939 and 1945. They were the only forces they could be expected to serve in, particularly in the air force and the navy. There was no Newfoundland navy or air force. A lot of Newfoundlanders had the good judgment to serve in the Canadian forces, but many of them did what was in Newfoundland the natural thing to do which was to enlist in the British forces.

And when they became Canadians on March 31, 1949 they were supposed to have all the rights of other Canadians presumably right back to the time of their birth because, in the Citizenship Act, they are described as being born in Canada. Therefore their position, it seems to me, should be assimilated in every way that it is legislatively and administratively possible to do it to the position that they would have had if they had been Canadians at the time they served in the forces. That is all we are suggesting, and I do hope that three years from now, or two years from now, we will not be told that still another study of this problem is going to be undertaken, because it really does not need any further study as the facts are all very simple, what it needs and all it needs is action.

Having said this, that is all I wish to say on this resolution. In fact, it strikes me that this resolution has been talked pretty threadbare already and I would suggest that if the Minister of Finance is as anxious to get on with his budget resolutions as he professed to be earlier today we stop this debate and get this resolution through and get back to the budget resolutions which we are ready to debate.

Mr. Smith (Lincoln): Mr. Chairman, like other hon. members I do not wish to delay the passage of this resolution so that we might get along with the discussion of the bill and find out what the minister is going to bring forward in the way of amendments to the Canadian Pension Act. For these reasons, I will be rather brief. However, I would be remiss in my duty if I did not at this time on behalf of the many veterans organizations in my riding extend to the minister and all members of his department our most sincere thanks and appreciation for the consideration that they are giving to the many briefs that have been presented by the Canadian Legion and other organizations.

In my riding we have many veterans organizations. We have some eight branches of the Canadian Legion, including two Ukrainian and one Polish branch. We also have a branch of the Canadian corps and a branch of the good old British Imperial veterans. I am pleased that this year I will be able to become a member of the veterans affairs committee and I am looking forward to some very interesting sessions as a member of that committee. I might repeat what has often been said, namely that the Canadian Pension Act and the Canadian veterans charter are the most generous of any in the world today.

At this time, on behalf of the British Imperial veterans may I extend to the minister and his department their appreciation of the many benefits they receive from the Canadian government, which in many ways are equal to those of Canadian veterans. However, there is always room for adjustments and improvements and the draft resolution which the minister has submitted seems to open the door to many ways in which improvements can be made to the act. I will mention several of them which have come to me during my dealings with veterans in recent months.

There is the subject of section 36, subsection 3, of the Pension Act, which has been mentioned in this debate, and which I am sure has been reviewed on many occasions by the Department of Veterans Affairs. However, I do feel that it should be considered again. In its present form it does cause some hardship and sorrow when the veteran with a pension of less than 50 per cent dies and his pension stops; in other words, is not made available to his widow, which is the way the regulations read at the present time. I notice that this matter has been mentioned by other members and I trust the minister will give it serious consideration.

There is also the question of distribution of drugs and medicines to veterans receiving home treatment. In recent years it has become the practice in the department in some areas to have those drugs distributed through regional branches of the Department of Veterans Affairs. This often causes delay and in some instances the type of drug prescribed by the local physician is not always available at the veterans affairs branch dispensary. This is a matter which might be given some consideration.

Then there is the matter of borderline pension entitlement cases, especially those veterans who served long periods in the theatres of actual warfare. They should always get the benefit of the doubt. Even though there is too little evidence to substantiate a claim for pension it always brings much more satisfaction to a veteran who saw a lot of hard warfare to get a pension for his disability rather than a veterans allowance.

I know that veterans allowances do not come under the Pension Act. Nevertheless, pensions for disabilities and for wounds and the veterans allowance for the burnt-out pensioner seem to go hand in hand. I trust that this part of the veterans charter will also be given consideration for amendment at this session of the house.

The matter of the British Imperial veterans who fought on the Afghanistan frontier in 1914 to 1919 and did not get victory medals and therefore are not entitled to veterans allowance might, I hope, be given further consideration by the veterans affairs committee during this session of the house.

I know that several other hon. members would like to follow me and I have quite a bit more that I should like to say. However, in order that they may be given an opportunity to voice their opinions at this time I am going to say that I appreciate the opportunity of speaking on behalf of all veterans and I am looking forward to learning more about the amendments to the Pension Act when the bill comes before the house.

Mr. Southam: Mr. Chairman, I take great pleasure at this time in rising to make a few remarks in regard to the resolution to amend the war veterans' Pension Act. First of all I should like to associate myself with our many colleagues who have formally spoken on this amendment to congratulate the present Minister of Veterans Affairs. I am sure that if he carries on and creates the enviable reputation in his new portfolio that he did when he was the minister of trade and commerce he will make a very great contribution to this department.

I should also like to express my congratulations on behalf of my constituency and the great number of war veterans in it to the Hon. Alfred Brooks, the present minister's predecessor. I am sure they join with me in wishing him many happy years of contribution and benefits to the welfare of Canadians while he is in the other place.

I represent the constituency of Moose Mountain which has many active branches of the Canadian Legion. I feel it is my humble duty to support this very timely resolution before the house, even though it is widely recognized that the legislation on the statute books at the present time to assist war veterans, their widows and dependants, is the best in the world. Nevertheless, there is still room for certain improvements and these new proposals will certainly be appreciated by the million and a quarter war veterans in Canada today.

I suggest that since we are increasing the war veterans disability pension under the proposed legislation we should also, as soon as it is possible, endeavour to increase war veterans allowances by the same amount. Otherwise, as has already been pointed out by a large number of our veterans now receiving pensions, they would not benefit as they should under the proposed amendments to the legislation. I have had a number of representations from branches of the Canadian Legion in my riding emphasizing this point, and for the record I should like to quote one recently received from the Gainsborough branch No. 170. It is under date of January 23, 1961, and reads as follows:

> Whereas the hon. Minister for Veterans Affairs has stated in the House of Commons it is the intention of government to make a substantial increase in the war veterans disability pensioners' pension at this session of parliament; and whereas any increase in the war pensioners' pension will not benefit to the extent of one cent any disability pensioner who is also in receipt of a war veterans allowance unless the war veterans allowance is also increased by the same amount as the war disability pensions;
>
> Therefore be it resolved that the hon. Minister for Veterans Affairs be petitioned to ask parliament to increase the amount to war veterans allowance recipients as, if and when the promised substantial increase in war disability pensions is instituted and brought into force.

This resolution was moved by G. Meredith and seconded by J. W. Plumb and the communication is signed by their secretary, Mr. W. A. Slade. I cite this as an example of the representations made by a number of our Legion branches.

I should also like to say that like other hon. members I have had complaints from war veterans with respect to how the pension commission interprets what is commonly referred as the benefit of doubt clause. It would appear that at times the pension commission may be placing too much emphasis on or showing too much concern for treasury board rather than the needs of the war veteran applicant. I feel that the commission should try to get closer to the intent of the legislation than would appear to be the case in some instances now. In other words, the emphasis with regard to the benefit of the doubt clause should be transferred from the saving of money for treasury board to the needs of the war veteran applicant himself.

I could cover other suggestions that have been made by other hon. members but I feel that they made their points very effectively and that anything I might say would be superfluous. I should like to congratulate the new Minister of Veterans Affairs on introducing these amendments to the Pension Act. I am sure all Canadians will welcome this action of the government.

Mr. Thomas: Mr. Chairman, this resolution has been anticipated by the veterans of Canada for some time. While increases in income have been granted to other groups in our economy, our veterans have been waiting patiently for their turn to come. It will be remembered that the former minister, the Hon. Alfred Brooks, hoped to have this legislation reviewed at the last session but it was found necessary to defer that review until now.

May I take this opportunity to join with other hon. members who have extended congratulations to the former minister, the Hon. Alfred Brooks on his elevation to a new sphere of responsibility and to wish him every success and happiness in his new work. I would also join with other hon. members in their congratulations to the new Minister of Veterans Affairs on his appointment to this important portfolio and in their congratulations also to the new parliamentary secretary to the minister. We wish them both every success and satisfaction in their new undertakings.

There is no legislation processed by the parliament of Canada which is received with greater satisfaction than that which aims to improve the standard of living of those who served our nation in its time of need. Military service in the army, navy or air force involves the offering by those in the services of their time, their talents, their health and, if necessary, life itself.

Veterans legislation in Canada dates back for more than 40 years to the days of world war I and to the promise that was given by the government and the people of Canada that the economic status of the survivors of that conflict and their dependents would be protected. This undertaking was extended to the veterans of world war II and to those of the Korean conflict and the resulting legislation became known as the veterans charter.

The survivors of world war I are no longer young and many require more generous assistance than they are receiving. These increases in disability pensions can do much to add comfort and peace of mind to our older veterans' declining years. It is 20 years since the disasters of world war II threatened the loss of freedom to Canadians as well as to our allies in the struggle. Those were dark days when neither the enormity of the cost nor the enormity of the sacrifice was permitted to stand in the way of an all-out war effort. We found ways to finance our wars. We should be ready to fulfil the obligations growing out of those wars. Let time not dull the public memory of our great wars. Many suffered the loss of loved ones. Many were totally or partially disabled and many are reaping more and more as time goes on the

physical results of nervous tension and mental turmoil associated with war service. Our nation should not weaken in protecting the economic status of those whose sacrifice bought victory.

There are three particular matters in connection with this legislation which I should like to stress for consideration. I think all of them have been supported by other hon. members in this debate. I would suggest to the minister that consideration be given at this time to arranging for increases in veterans allowances. Many veterans in the lower percentage pension classes depend for their livelihood on a combination of a pension payment and a war veterans allowance payment. Since war veterans allowance payments are subject to a means test, increase in pension payments will result in decreases in their war veterans allowance payments. This is likely to cause hardship for some veterans, and I would urge the minister to take the necessary steps to avoid such a situation.

This will involve, I believe, changes in the war veterans allowance schedule and in the income ceilings under the War Veterans Allowance Act. I would urge that this matter be given immediate consideration to the end that increases in both disability pensions and war veterans allowances, which support each other, can be brought in simultaneously.

Another feature of the Pension Act which I find difficult to justify is that widows of pensioners who have been allotted a 50 per cent or higher disability are provided with widows' pensions whereas widows of pensioners who have been allotted a disability of less than 50 per cent are provided with no such pension. It is difficult to justify on moral grounds why this should be so and I urge upon the minister and the house that consideration should be given to amending subsection 3 of section 36 of the act so that all widows will be treated alike.

As the third feature which I wish to discuss I should like to add my support to those who have spoken in the debate and urged the full use of section 70 of the Pension Act which provides that in awarding pensions the board of pension commissioners shall allow the benefit of the doubt in favour of the applicant. I must say I would agree with the hon. member for Red Deer and others that an amendment to section 70 is unnecessary. What is required is a more generous interpretation of this section as far as the veterans are concerned.

I wish on behalf of the veterans, as well as of all citizens of Middlesex West, to express our appreciation to the minister and the government for bringing this legislation before parliament. We believe it is necessary to assist in bringing our national obligations to our war veterans more nearly into line with modern costs of living.

Mr. Pugh: Mr. Chairman, I am sure that all veterans in the house are very pleased indeed at the recent appointment of the new minister. Certainly, he is following a very able man. I would say that under Colonel Brooks we were, indeed, happy in the veterans committee and elsewhere, and I know that this situation will be continued under the present minister in the years to come. This was a good set-up because it must be a happy group that administers veterans affairs. The hon. member for Grand Falls-White Bay-Labrador expressed the feeling of all hon. members when he said that inquiries which were directed to this department were handled with courtesy and promptness. This, in itself, is something which commends that department.

I should like to say a word about legions generally. I am proud to belong to the Legion. I am proud of the fact that we meet and that when we do, we remember. Those who attend these Legion meetings regularly must realize how wonderful it is that the veterans have banded themselves together. They perpetuate this wonderful spirit which has been developed by the veterans through two wars.

When the minister introduced the resolution he quoted some rather significant figures. He said that about $47.5 million have been added to the amount expended on veterans affairs. He referred to the changes in disability pensions, war veterans allowances, the increases in widows' and dependents' pensions, educational assistance and the increase in the cost of hospitalization. Apart from all these monetary increases, these various pieces of legislation which have come under review have been broadened extensively as to the classifications covered and the eligibility of the various classes.

May I also commend the parent branch of the Legion for the briefs that have been prepared. These have been of great assistance to all members of parliament, but particularly to those who have been members of the veterans committee and who have had the opportunity of welcoming the Legion representatives when these briefs were presented to the committee. All members of parliament have also received a large measure of aid from the Legion and from other veterans organizations. This help has been given voluntarily, whether it has been to trace a person or for any other matter. It has been given, of course, with good heart.

I was particularly interested in the remarks of the hon. member for Red Deer. He has a very broad knowledge of veterans affairs. Not only did he serve in two wars with distinction, but after these wars he turned to service in veterans affairs. During the course of that time he has dealt with many cases, and many veterans and their widows have come to him for advice. He summarized all the points very well. I am not overlooking the fact that many other members brought up points, too.

In so far as section 70 is concerned, it appears to me that the veterans committee must have a good look at it. We must ascertain whether it is necessary to have all these appeals, and why 50 per cent of them were granted. Anyone who has dealt with veterans or their widows must know that there is a period during which these people feel nothing is being done for them. They ask you right away, why cannot something be done about this? You say, there is a right of appeal, and it is this time lag that should be eliminated. The suggestions of the hon. member for Red Deer were excellent. He mentioned the need for a refresher course for pension advocates, and I believe that would be an excellent thing, to bring them up to date so that the handling of these cases will be more expeditious.

Surely, we must have reached the point now where a precedent has been set. If these precedents were followed, then the doctors and pension advocates would realize at once whether a case fell within the scope of these precedents and whether there was a chance the veteran would receive a pension.

I was rather surprised at the remarks of the hon. member for Bonavista-Twillingate, remarks which would indicate that those who were speaking on this resolution were holding up the business of the house. He inferred they should sit down and let the house get on with other business. He said he had followed the debate with interest, but rather left the impression when he sat down that nobody else should speak. The majority of the members who have spoken on this resolution have been veterans, and have been members of the veterans affairs committee. When we get up and say these things we say them not in order to prolong the debate but because we feel that a multiplicity of voices will bring these matters to the attention of those in authority. We make these representations in all sincerity and we will not be shushed by one member.

I was very pleased to hear the minister's parliamentary secretary make a reference to Newfoundland during the course of his remarks. Certainly the members from Newfoundland, without exception, have put Newfoundland's case forward very well. Probably the hon. member for Bonavista-Twillingate was the—

An hon. Member: Fly in the ointment.

Mr. Pugh: He may have been the fly in the ointment, but he was not very charitable. He was not as charitable as the hon. member for Burin-Burgeo who stated that there had not been time, since these representations were first made by the veterans, to have the necessary changes made. The act has not been revised since 1957. I would accept his statement as against the sort of vapid utterances that came from the hon. member for Bonavista-Twillingate.

I gathered from the remarks of the hon. member for Saskatoon that after this legislation is introduced no difference will exist, in essence, between the veterans from Newfoundland and the veterans from other parts of Canada. I am hoping that will be so. However, since the hon. member spoke, another hon. member brought to my attention the fact that it is not a good thing to make the Newfoundland veteran apply elsewhere for a pension. If there is a rejection, then he comes under our Canadian pension commission. Even if he is granted a pension over there he might not be eligible for a pension of the same extent as if he had been granted a pension by our own Canadian pension commission.

There are many other points I should like to cover, but they will be perhaps best covered after the bill has been introduced. I started out by saying that we are a happy group in veterans affairs. That is the situation. In my opinion the veterans and the Legion who follow these proceedings cannot help feeling that we are putting our best foot forward and are getting to grips with the many problems which are involved and the many anomalies which exist in the acts forming the veterans charter.

Mr. Benidickson: Mr. Chairman, this is my first opportunity to address myself to legislation under the new Minister of Veterans Affairs. He knows that I would be the first to acknowledge his gallantry in the last war and in the previous war and also to acknowledge with the same enthusiasm that he resembles his predecessor in qualities. I refer to the present Senator Brooks who had been in this Department of Veterans Affairs.

I think we have been fortunate in this particular department in that no veteran at any time, under one government or another, would have any feeling that he had not had

a man of spirit or gallantry at the head of this department. I think of Hon. Ian Mackenzie, Hon. Milton Gregg, V.C. and Hon. Hugues Lapointe. Steadily in this department, one government or another has placed in this office soldiers of great quality in whom the entire country would have confidence. I have confidence in the new minister. To him, valiant soldier that he has been, I know the veterans can look with great confidence in the future.

On the other hand, it is our duty to examine in parliament legislation as it comes before us. In this instance we are looking at legislation that involves a decision of members of a government with respect to pension entitlement. While I commend the resolution coming in at this time, it is only to be expected that I would say that in the opinion of the minister's predecessor this date is late. Being late it has proved to be extremely costly to those pensioners to whom so many tributes have been paid today and yesterday in this House of Commons debate.

Hon. Alfred Brooks, the predecessor of the present minister, had indicated that this kind of payment out to pensioners who need it would be given a year ago. He made that statement, but apparently his colleagues in the cabinet did not agree with him. The result is that a year or more later we have this type of legislation. This situation is evident as will be found if anybody will look at the printed record of the standing committee on veterans affairs meeting on April 7, 1960. At that time the then minister of veterans affairs was the first witness before the committee. As it happened, I personally chanced to be the one who asked him about the delay in doing something about which there had been a previous public commitment. I refer my colleagues now to page 131 of the minutes of proceedings and evidence of that committee on April 7, 1960. I stated as follows:

Mr. Chairman, I would just refer to the editorial in the March issue of the *Legionary*.

That is March, 1960. That is the Legion's monthly publication.

At the committee sittings I said:

I think the Minister has it in his hand.

I just happened to notice that he had the red-coloured magazine in his hand. I continued:

The editorial, of course, quotes from the minister's statement in the House of Commons last year which read this way:—

I want to quote back what the minister said then, and I quote now to this committee as follows:

As I told the president of the Canadian Legion when he visited our office, it is not our intention to make any amendment this year—

[Mr. Benidickson.]

That would be 1959.

—to the Pension Act. We plan to have it before us at the next session of parliament—

That would be the 1960 session of parliament.

—at which time we will go very thoroughly into all phases of the Pension Act.

Mr. Chairman, I just want to make everyone aware of facts, namely that the then minister of veterans affairs—I refer to Hon. Mr. Brooks—made this commitment in 1959 and I am sure that he made it in the utmost sincerity. However, I think that the present Minister of Veterans Affairs was at that time in the cabinet; and I think we are entitled to find out why, when a minister made that commitment in 1959 about something that was to be effective with respect to these deserving people throughout 1960, it did not become effective then. It only becomes effective in 1961.

In addition, I want to remind the committee that notice of this legislation came before us prior to the Christmas-New Year's adjournment. The committee on veterans affairs was set up prior to Christmas. I have been a member of that committee for a great number of years. As a member of that committee, at its initial meeting I raised the question, is there any chance that if we do not proceed to further meetings any veteran would be prejudiced by date of payment of any benefits under the new legislation?

In this resolution there is nothing to indicate whether a retroactive benefit is to be provided. However, I want to make it clear that in December, at its initial meeting, the veterans affairs committee indicated that it was willing to meet. As you know, Mr. Chairman, in normal circumstances members of the opposition do not want to have a committee meeting during hours when the House of Commons is sitting if that procedure can be avoided. However, at this meeting it was made clear that if any co-operation was required on the part of the opposition to meet when the House of Commons was sitting or otherwise we in the opposition were prepared to meet prior to Christmas if the government had no intention of putting in the bill a clause that would provide for retroactive payments to the veterans. On that day I asked the parliamentary secretary a question on this point and he said the contents of the bill could not be anticipated. But knowing the present minister and knowing his good will to veterans I am sure there will be no parliamentary prejudice.

Having read the speech from the throne, as all veterans have, I am sure the government will make it clear that any benefits shall have nothing to do with parliamentary

debate procedure, and will be retroactive in a way that will be of the utmost benefit to the veteran himself.

I say this after emphasizing that there was one complete year of delay, based apparently on the failure of the cabinet to adhere to a commitment made publicly by the former minister of veterans affairs in 1959. Otherwise all these needy people would have had in 1960 what is now afforded in the bill for 1961.

(Translation):

Mr. Pigeon: Mr. Chairman, since there are only two minutes left before the house adjourns, may I ask you to call it six o'clock?

(Text):

The Chairman: Does the committee agree that it be called six o'clock?

Mr. Pickersgill: Why should we call it six o'clock?

Mr. Howard: Mr. Chairman, my remarks will only be of perhaps one or two minutes' duration, and perhaps I could accommodate the hon. member by proceeding.

I would like to add my voice to those who have congratulated the hon. minister on his new portfolio. I know we had pleasant relationships with him when he was minister of trade and commerce and I am sure that warmth of feeling will carry over into his present portfolio. I wish him every success in his position in the cabinet. I also wish him success in following in the footsteps of his predecessor, and hope that he eventually reaches that delightful and serene place in which the former minister now resides.

This is in reality the fourth or fifth—I have lost count—miniature throne speech debate we have had in this house since the session started. I do not know whether it is necessary to completely beat this resolution to death, but because of the substance of it, it would appear that perhaps the most expeditious way to deal with the matter is to proceed to place the bill before us.

However, each member wishes to make his contribution, and I am sure that in future those who now insist they are doing things for king and country will keep their seats if they feel that someone is transgressing.

The C.C.F. has long been in the forefront of promoting the welfare and interests of veterans of this nation, and we will continue to be in the forefront so long as we have veterans in this country. I merely wish to indicate that I am in favour of the resolution and hope it receives expeditious treatment in the house.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder whether the house leader could forecast the business for the rest of the week.

Mr. Churchill: Mr. Speaker, what I would like to see happen tomorrow is this. If there is agreement on the other side of the house, we would continue with the resolution stage of this bill and then, by consent, distribute the bill and carry on with second reading. This is because it is our intention that after second reading the bill be referred to the standing committee on veterans affairs. Hon. members may think that over. If that is not agreeable, on conclusion of the resolution stage and first reading we would then deal with the estimates of the Department of Citizenship and Immigration.

Mr. Pickersgill: Mr. Speaker, I could perhaps relieve the hon. gentleman's mind immediately. I think it would be much more preferable to adhere to the rules of the house, but there would be no difficulty in taking the bill on Friday and probably dealing with it very quickly.

Mr. Churchill: All right; we might do that.

Mr. Herridge: Mr. Speaker, in order that the bill will be placed before the house as soon as possible and referred to the standing committee on veterans affairs, and in the interests of veterans concerned and their dependants, we wish to co-operate in any way we can to expedite it.

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

Questions

ANSWERS TO QUESTIONS

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

OBSCENE LITERATURE AND ART—ENTRY RESTRICTIONS

Question No. 66—**Mr. Fisher:**

1. Has this government received communications in any form from any provincial attorney or his agents requesting that steps be taken to block the entry into Canada of any book, record, periodical, or painting which has been considered obscene or otherwise objectionable under the criminal code?

2. If so, from whom, when, about what particular items, to what effect?

Answer by: **Hon. Noel Dorion (Secretary of State):**

1. No.

2. Not applicable.

ROAD PROJECTS, KENORA-RAINY RIVER DISTRICTS —FEDERAL CONTRIBUTIONS

Question No. 87—**Mr. Benidickson:**

1. To what road construction projects (except trans-Canada highway) in the Kenora and Rainy river districts in Ontario, has the government been asked by the government of Ontario, since July 10, 1958, to make a financial contribution?

2. To what road construction projects (except trans-Canada highway) in the Kenora and Rainy river district in Ontario, has the government made a financial contribution since July 10, 1958, (sessional paper no. 191A)?

Answer by: **Hon. Noel Dorion (Secretary of State):**

Department of Forestry

1. The government of Ontario asked the government of Canada under the forest access road agreement for the period November 1, 1958 to June 30, 1959 to make a financial contribution to road construction projects in the Kenora and Rainy River districts of Ontario, as follows:

Kenora district: Sanford-Mutrie road, Raleigh road, Dryden road.

Rainy River district: Flanders road.

2. The government of Canada made a financial contribution for the construction of the following roads:

Kenora district: Sanford-Mutrie road, Raleigh road, Dryden road.

Rainy River district: Flanders road.

Department of Northern Affairs and National Resources

1. Minaki South—This 15-mile road from Minaki to Pellatt has been included in the roads to resources agreement with Ontario.

2. Minaki South.

CLOSING OF R.C.A.F. STATION, AYLMER, ONT.

Question No. 92—**Mr. Martin (Essex East):**

1. Has the government reached a firm decision as to the date of the closing of the Royal Canadian Air Force station at Aylmer, Ontario?

2. Has any progress been made regarding its use as a trades or vocational training school?

3. Has any progress been made regarding its use as a minimum security institution?

Answer by: **Hon. D. S. Harkness (Minister of National Defence):**

1. Under present plans the training unit at R.C.A.F. station Aylmer will be disbanded in the fall of 1961.

2 and 3. While a final decision has not been reached, exploratory examinations are under way with regard to the possible future use of this station.

AUTHORIZED C.M.H.C. NOTARIES, DRUMMOND-ARTHABASKA

Question No. 93—**Mr. Boulanger:**

What are the names of the notaries in the constituency of Drummond-Arthabaska who are authorized to be engaged with respect to the execution of contracts between the purchaser and Central Mortgage and Housing Corporation or the builder under the National Housing Act, 1954?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

During the last 12 months Central Mortgage and Housing Corporation has engaged the following notaries for legal service in the constituency of Drummond-Arthabaska:—Claude Perron, Arthabaska; J. M. Feeney, Victoriaville; Antoine Fradette, Drummondville.

HOUSE OF COMMONS

Thursday, February 9, 1961

The house met at 2.30 p.m.

COMMITTEES OF THE HOUSE

Second report of standing committee on standing orders—Miss Aitken.

BROADCASTING—CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. G. C. Fairfield (Portage-Neepawa) presented the first report of the special committee on broadcasting, and moved that the report be concurred in.

Motion agreed to.

(Translation):

REPRESENTATION ACT

AMENDMENT TO CHANGE NAME OF CONSTITUENCY

Mr. Georges Valade (St. Mary) moved for leave to introduce Bill No. C-66, to amend the Representation Act.

He said: The purpose of this bill is to change the name of the St. Mary constituency into that of Camillien Houde. It also seeks to avoid any confusion with the provincial constituency bearing the same name but with different dividing lines.

Motion agreed to and bill read the first time.

(Text):

BUSINESS OF THE HOUSE

MONETARY POLICY—INQUIRY AS TO REFERENCE TO BANKING COMMITTEE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister if he is in a position to tell the house whether the question of monetary policy will be referred to the standing committee on banking and commerce when the annual report of the governor of the Bank of Canada is made available, rather than to a royal commission.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not intend to answer the alternative, but will simply answer the first part of the question by saying that no decision has been made in this regard.

NATIONAL DEFENCE

NUCLEAR WEAPONS—REPORTED STORAGE IN AND TRANSPORTATION OVER CANADA IN U.S. PLANES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of National Defence. I wonder if the minister would care to comment on an article appearing in the St. John's *Examiner*, a copy of which I believe was sent to the Prime Minister and the Leader of the Opposition, in which it is stated that United States atomic weapons are stored at a number of bases in Canada, including Goose Bay, Labrador.

Hon. D. S. Harkness (Minister of National Defence): I think the Prime Minister, on at least two occasions, has stated categorically that this report is incorrect. I can only repeat that there is no truth in this statement.

Mr. Argue: May I ask the minister a supplementary question. Would the minister comment on a further statement in the report to the effect that United States bombers carrying atomic bombs fly over Canadian territory from time to time?

Mr. Speaker: Order. The hon. member for Assiniboia is simply asking for verification of a press report which he is not in any position to substantiate himself, and unless he takes responsibility for the statement that is not considered to be good practice.

Mr. Argue: On the point of order you have raised, Mr. Speaker, I may say it is common practice for us to ask a minister to comment on a newspaper report. I will put it in that form if that is a more desirable form. It is something we have been doing every day in the week for many years.

Mr. Speaker: Perhaps it is a matter of form. If the hon. member asked whether the government had any information that such flights were being carried out, it would no doubt be regular.

Mr. Argue: If I may phrase it that way, then, I will ask the minister if he has any information to impart to the house on the statement that United States bombers, carrying atomic bombs, are flying over Canadian territory.

Mr. Harkness: I would refer the hon. member to two statements on this subject by the

Prime Minister, one on June 3, 1958 and the other on March 17, 1959. These statements will be found in *Hansard* for these dates and they cover this question in considerable detail. The situation has not changed in this regard since that time.

REPORTED INTENTION TO DISBAND CF-100 SQUADRONS

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of National Defence. Is it the intention of the government to reduce the number of CF-100 squadrons in Canada before a decision has been taken in regard to their replacement?

Hon. D. S. Harkness (Minister of National Defence): As I indicated in reply to a similar question from the Leader of the Opposition yesterday, my predecessor stated some months ago that during 1961 we would begin to phase out the CF-100 squadrons. During the course of this year some four of these squadrons will be phased out in an ordered program.

Mr. Garland: May I say with respect that the answer to the question by the Leader of the Opposition yesterday does not cover my question. Would the minister consider answering my question?

Mr. Harkness: I think that statement answers the question.

Mr. Garland: If I may, I will repeat the question. Is it the intention of the government to reduce the number of CF-100 squadrons in Canada before a decision has been taken with regard to their replacement?

Mr. Harkness: I think the answer I have given answers that question.

DEFENCE PRODUCTION

INQUIRY AS TO SALE OF AIR CARGO PLANES TO U.S.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of National Defence. Has his department made a new proposal to Washington for the sale of the Canadair CL-44 transport plane, and if so what is the nature of the proposal?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I presume the hon. member is referring to a couple of press articles which appeared earlier, one in this morning's newspaper, I believe, and one in yesterday's. These are both speculative stories and I do not believe it would be proper for me to comment on them, nor would it serve any good purpose to do so.

[Mr. Harkness.]

Mr. Chevrier: May I ask a supplementary question. Did the minister write a letter, as referred to in the issue of the Montreal *Gazette,* to his opposite number in the United States, Mr. McNamara, in connection with this matter?

Mr. Harkness: I have written only one letter to Mr. McNamara, and that was to congratulate him on being appointed secretary of defence.

IMMIGRATION

REPORTED THREATS TO IMMIGRANTS BY WELFARE OFFICERS

On the orders of the day:

Mr. Walter Pitman (Peterborough): I wish to direct a question to the Minister of Citizenship and Immigration. Has the minister received reports that welfare officers are threatening immigrants applying for welfare benefits with being reported to the immigration department, with the possibility of deportation? If so, can the minister assure the house that there is no truth whatsoever in these reports?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I saw this report in one of last evening's newpapers. I also had a telegram from one of the labour organizations in Hamilton. The hon. member for Hamilton East (Mr. Martini) and the hon. member for Lincoln (Mr. Smith) also were inquiring with respect to this rumour. I can assure all hon. members that there is absolutely no truth in it whatsoever.

LABOUR CONDITIONS

REQUEST THAT RAILWAY UNIONS AND MANAGEMENT REOPEN NEGOTIATIONS—TABLING OF CORRESPONDENCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Yesterday, Mr. Speaker, the hon. member for Laurier asked me whether I had received from the railway brotherhoods a reply to the request to them and to the railways to commence negotiations. I said that I would table the reply today. In doing so I would also table the correspondence that passed between the railway companies, the brotherhoods and myself in connection with this matter.

TRADE

RUSSIA—REPORTED ABILITY TO UNDERCUT CANADIAN MINERAL EXPORTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Trade and Commerce or, in his absence, to his

parliamentary secretary. Has the minister seen the statement by the president of the Asbestos corporation before the Senate manpower committee that Russia is in a position to undercut Canadian exports of minerals to western Europe with low price offerings from communist sources? If so, has he any comment to make thereon?

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I believe the Minister of Trade and Commerce will be back tomorrow. The question will be taken as notice and will be drawn to his attention.

ELECTRONIC TUBES—REPORTED IMPORTS FROM JAPAN THROUGH UNITED STATES

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): On Wednesday, February 1, the hon. member for Lincoln asked a question with respect to the importation of electronic receiving tubes coming into Canada from Japan through San Francisco.

I am advised by my officers that inquiries have revealed that substantial quantities of Japanese electronic receiving tubes have been imported into Canada after transshipment at San Francisco. With two exceptions, in mid-November and early December, involving relatively small quantities, these tubes were imported prior to the imposition of the voluntary embargo by the Japanese. The importer concerned has followed the practice of placing the tubes in a bonded warehouse in Vancouver, to be drawn from stock as required.

All such tubes are being valued for duty at the fair market value prevailing at the time and place of transshipment to Canada. This means that the value for duty will be higher than the Japanese selling price by at least the amount of the United States duty and the shipping charges accruing from Japan to San Francisco.

JAPAN—REQUEST FOR QUOTA ON STEEL FLATWARE EXPORTS

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I should like to direct a question to the Minister of Finance or, in his absence, to the acting minister. In the light of the fact that the Canadian stainless steel flatware industry of Niagara Falls has suffered a 75 per cent cut in employment because of heavy imports from Japan, can the minister say whether consultations with Japanese representatives for further voluntary export quotas are proceeding?

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I think the hon. member knows that negotiations have been under way with Japan for a period of time. When there is something to report to the house an announcement will be made.

Miss LaMarsh: A supplementary question. In the light of the statement attributed to Ukichi Takezaki that the Japanese industry will not accept further voluntary quotas, can the hon. gentleman say whether the government is prepared to accept this take it or leave it attitude and abandon the Canadian flatware industry?

Mr. Bell (Carleton): There is no such thing as abandonment of any industry on the part of this government. This government intends to stand behind all Canadian industry, and its record in that respect is well known.

U.S. FOOD DISPOSAL PROGRAM—THREAT TO CANADIAN EXPORTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister arising out of an article in the *Financial Post* of February 11, containing the statement that President Kennedy's food for peace task force has recommended that the United States food disposal program be stepped up from $1,500 million annually to $3,500 million. In view of this grave threat to Canada's agricultural exports, will the Prime Minister discuss with President Kennedy the possibility of co-operation between our two countries in our respective food export programs?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this is a question by anticipation. If I understood correctly, the article to which the hon. member referred is in an issue of February 11; I think that is what he said in his opening remarks.

Mr. Argue: The February 11 issue of the *Financial Post.*

Mr. Diefenbaker: However, may I say that on a number of occasions I have heard the hon. gentleman preach ruin of the agriculture industry and speak of the danger that would follow a distribution of food products by the United States anywhere in the world. We have consistently dealt with this matter with the authorities in the United States. The result has been that, in connection with policies on food distribution, Canada's views have received the fullest consideration by the United States, and I am sure that the same attitude will be shown by the present administration. We will do our part at all times to assure that while those portions of

the world where want and famine exist shall not be denied the assistance from the free world, these policies should not unnecessarily or unfairly interfere with commercial trade or the rights of other nations.

Mr. Argue: A supplementary question. I wonder whether the Prime Minister is able to tell the house if he will be discussing the question of a food disposal program with the President?

Mr. Diefenbaker: Mr. Speaker, the matters discussed will be reported to the house following the discussions that take place.

UNEMPLOYMENT INSURANCE

REPORTED NEW INTERPRETATION OF SERVICE CONTRACT

On the orders of the day:

Mr. Jean-Paul Racine (Beauce): I should like to direct a question to the Minister of Labour. In view of the numerous complaints of unemployed persons who no longer receive unemployment insurance benefits as a result of the new interpretation of the service contract, is it the intention of the minister to issue instructions in order to remedy what has become an untenable situation?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the hon. member gave me notice that he would ask this question. I immediately contacted the unemployment insurance commission, and they advise me that there is no new interpretation of the regulations with regard to the contract of service. The difference now is, so they tell me, that the regulations are being enforced.

[*Later:*]

Mr. Racine: Mr. Speaker, in view of the answer just given by the Minister of Labour I would like to ask him whether he is aware that the enforcement of the instructions now contained in pamphlet 13, where the commission defines "service contract", is detrimental to the campaign for winter works, particular in the renovation and home construction field.

Mr. Starr: I am not aware that it is having the effect which the hon. member says it is.

TRANSPORT

TORONTO—REQUEST FOR INCLUSION OF SUBWAY IN FEDERAL PROGRAM

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister a question with regard to a delegation that seems to have visited Ottawa yesterday, a high power one from that great city of Toronto. I wonder whether the Prime Minister can tell us what was the substance of the delegation approach and what conclusions were reached.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I would not agree with the description of any delegation from Toronto as high power in the sense that they endeavour to overpower in any way. A presentation was made by a delegation from metropolitan Toronto, headed by the metropolitan mayor and the mayor of Toronto, asking for consideration on the part of the government to the inclusion of their subway plan in the general scheme which is today the law of this country whereby the Department of Public Works makes available assistance in connection with pollution and the like.

It was pointed out that at present, as the law now stands, subways do not come within the provisions of existing legislation. After a full and complete discussion of the matter the delegation was advised that when a decision was arrived at with respect to the request, the metropolitan area of Toronto would be advised accordingly.

WATER RESOURCES

CHICAGO DIVERSION—INQUIRY AS TO REPRESENTATIONS TO U.S.

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. There is another bill this year before the United States congress proposing to divert 1500 cubic feet of water per second from lake Michigan into the Illinois waterway. I believe the bill was passed last year but was vetoed by the president. My question is, has the government made any representations to the new administration in Washington and, if not, is it their intention to do so?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, there was no bill vetoed by the president last year. I think there was a bill in the house, but it did not get through the Senate.

As yet we have made no representations to the new administration. I think perhaps the time has not yet come to do that. But our position on this question remains the same, that we are very strongly opposed to any further diversion of water at Chicago.

COMBINES

STATEMENT AS TO INVESTIGATION OF ELECTRICAL COMPANIES

On the orders of the day:

Hon. W. J. Browne (Acting Minister of Justice): Mr. Speaker, on Tuesday, February 7 the hon. member for Burin-Burgeo asked this question:

In view of the fines levied on eight electrical companies in the United States for bid rigging and price fixing, will the minister tell the house whether any investigation has been made or is contemplated by the director of research and investigation, combines branch, into similar practices by the Canadian counterparts of these electrical companies?

I have here the answer. In the post-war period, as the annual reports of the combines branch indicate, there have been inquiries into certain aspects of the electrical industry, two of which have resulted in published reports and prosecutions. The combines branch maintains a continuing interest in this field, as in other fields and, in accordance with the usual practice, any information coming to the attention of the director indicating a possible violation of the Combines Investigation Act is carefully considered to determine whether the situation is such as to warrant formal inquiry. The general practice, however, is that no information is given out as to whether an inquiry is being pursued in a particular industry unless and until a report is published.

(Translation):

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INQUIRY AS TO CANADIAN ADHERENCE TO GENEVA CONVENTION

On the orders of the day:

Miss Judy LaMarsh (Niagara Falls): I should like to put a question to the Secretary of State (Mr. Dorion). Could the minister inform the house why the government has not acted upon the recommendations contained in the Ilsley report to the effect that Canada should sign the universal convention on copyrights passed in Geneva in 1952?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I thank the hon. member for her courtesy in addressing me in my mother tongue. With her permission, I shall consider the matter and give her an answer later on.

(Text):

PRODUCTIVITY COUNCIL

INQUIRY AS TO PROBABLE DATE OF SETTING UP

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder, sir, if I might ask the Prime Minister whether he is yet in a position, or whether he can indicate when he might be in a position, to announce the constitution of the national productivity council.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the mobilization of those who will constitute this most important body is proceeding. When we are in a position to announce the full, complete personnel, it will be done.

Mr. Howard: A supplementary question, Mr. Speaker. I wonder whether the Prime Minister could indicate how a national productivity council that does not exist is going to affect unemployment—

Mr. Speaker: Order. The hon. member certainly does not appear to be seeking information in the question which he is asking.

HOUSING

N.H.A.—REQUEST FOR LOWERING OF INTEREST RATE

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Public Works. Since the minister's statement on February 6, stripped of its ministerial embellishment, shows that only about 176 more housing starts were made in January, 1961 than in January, 1960, will the government give immediate consideration to lowering the N.H.A. interest rate in order to further stimulate house building, which would be in line with action recommended to congress by President Kennedy of the United States?

Hon. D. J. Walker (Minister of Public Works): We cannot take any suggestions or leads from President Kennedy in running this government. We are doing what appears best for Canada and he for the United States. And apparently what we have done has received commendation from the executive vice president of the National House Builders Association, who said just recently:

"Hon. David J. Walker, Minister of Public Works, should be given full credit. Revision of the act required a high degree of political statesmanship. Already it is having a healthy effect on residential construction."

Mr. Speaker: Order. Perhaps it is a little late to attempt to establish the relation of the answer to the question.

Mr. Garland: Perhaps Your Honour might permit a supplementary question.

Mr. Speaker: If it is similar to the ministers' answer, I would think not.

Mr. Garland: If I may say so with respect, this is a matter which does affect job opportunities for thousands of people in this country. Will the minister give us an assurance that the government is giving consideration to lowering this interest rate, which in my opinion is the main deterrent—

Mr. Speaker: Order. The hon. member made his plea for lower interest rates in his first question. The supplementary adds nothing.

Inquiries of the Ministry

BROADCASTING

REPORTED STATEMENT BY MEMBER OF BOARD OF GOVERNORS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask a very simple question of the Minister of National Revenue in his role as broadcasting authority. It arises from a statement which appears to have been made by Carlyle Allison, who is a member of the board of broadcast governors:

> It is interesting to note that none of our recommendations have been turned down by the government, which would indicate how much of an independent board we are.

I wonder if I could ask the minister whether the board of broadcast governors is still an independent board.

Hon. George C. Nowlan (Minister of National Revenue): I am not responsible for the language used. The editor, having left his editorial sanctum in Winnipeg, has perhaps become less happy in his choice of words.

OLD AGE SECURITY

REPORT OF DR. CLARK—INQUIRY AS TO GOVERNMENT STUDY

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to address a question to the Minister of National Health and Welfare. Has he concluded his study of the Clark report dealing with survivorship and other aspects of the United States pension system, or is that study still continuing?

Hon. J. W. Monteith (Minister of National Health and Welfare): The study is continuing, Mr. Speaker.

Hon. L. B. Pearson (Leader of the Opposition): A supplementary question. Is it the intention of the minister to recommend the establishment of a royal commission to give further consideration to this matter?

HEALTH AND WELFARE

YUKON TERRITORY—REPORTED IMPORTATION OF UNINSPECTED MEATS

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question to ask the Minister of Agriculture. Perhaps in his absence the hon. gentleman's parliamentary secretary could answer it. It is a question affecting the general health of the people of the Yukon. Is the minister aware that uninspected meats are being transported interprovincially from British Columbia into the Yukon Territory contrary to the Canada Meat Inspection Act? If so, will he take action to ensure compliance with the law in this regard?

[Mr. Speaker.]

Mr. L. E. Cardiff (Parliamentary Secretary to the Minister of Agriculture): This matter has been drawn to the attention of the department and investigations have been undertaken, but some problems have been experienced with respect to the enforcement of this section of the act in this far northern area. However, I can assure the hon. member that additional means of enforcement are now being studied.

SHIPPING

REPORTED REQUEST FOR PROVINCIAL LICENSING OF SMALL CRAFT

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I should like to address a question to the Minister of Transport. Has the Ontario government requested permission from the department to license small craft. If so, what consideration has been given to the request?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, we have no record of any special request from the Ontario provincial government with a view to giving authority to the province to undertake small boat licensing. In fact the federal government already has a licensing scheme in effect. However, there are a number of important questions relating to the safety regulation of small boats which can involve co-operation with the provinces, and these have been receiving the attention of my department. I hope to be able to make a further statement on this in due course, probably when my departmental estimates are under consideration.

Mr. H. W. Herridge (Kootenay West): A supplementary question. In view of the great importance of this problem and the recent conferences which have been held, has the government given consideration to amending the appropriate act to meet the growing need for better regulation of small craft on inland waters?

Mr. Balcer: Mr. Speaker, the whole matter is under consideration at the present time. We had a very successful study period with representatives of the industry, and the whole matter is being considered.

FISHERIES

SINCLAIR REPORT—INQUIRY AS TO PRINTING AND TABLING

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a question to the Minister of Fisheries and ask him whether progress is being made with respect to the printing and tabling of the report of Dr. Sinclair.

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, as I already said some time ago,

as far as complying with the order of the house is concerned, the printing is being expedited as much as possible, but it is a rather complicated job and we have experienced some unanticipated delays. I erred in my first estimate, and I should not like to make another error. I assure the hon. member that the report will be tabled and distributed as rapidly as possible.

POST OFFICE DEPARTMENT

QUEBEC—REPORTED HOLD-UP OF MAIL TRUCK

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Postmaster General. According to the two o'clock news another important mail robbery involving a mail truck has taken place between Three Rivers and La Tuque. Is the minister aware of this robbery? I think it was a hold-up. There were five bandits involved and they stole all the mail in the truck. If the minister is aware of this robbery is he in position to give more details about it?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, I do not seem to have been quite as close to this particular robbery as the hon. member, and there is nothing I can add at this time to the information which he has obtained over the radio.

Mr. Denis: A supplementary question, Mr. Speaker. Is it the practice of the Post Office Department that every time there is an important new event or a piece of bad luck the minister is made aware of it?

(Translation):

AIRPORTS

OTTAWA—INQUIRY AS TO BILINGUAL SIGNS

On the orders of the day:

Mr. Alexis Caron (Hull): I should like to put a question to the Minister of Transport. Could the minister tell me if he is aware of a report published in *La Presse* of January 28, 1961 to the effect that all the posters, except two, at the Ottawa airport are written only in English and, if so, does he intend to take concrete steps about this matter?

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker, the article has been brought to my attention and I am considering the situation.

(Text):

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of Transport. In view of the fact that the term of office of the president of the Canadian National Railways expired as of September, 1960, is the minister now in a position to tell the house whether he has been reappointed?

Hon. Leon Balcer (Minister of Transport): The hon. member asked me a similar question earlier in the session, and I have nothing to add to what I said at that time.

PENSION ACT

AMENDMENTS INCREASING PAYMENTS, PERMITTING APPEALS, ETC.

The house resumed, from Wednesday, February 8, consideration in committee of the following resolution—Mr. Churchill—Mr. Flynn in the chair:

That it is expedient to bring in a measure to amend the Pension Act to provide for increases to disabled veterans and their dependants; to permit payment of supplementary pensions in certain cases; to permit appeals from decisions of the former board of pension commissioners; and to provide for certain further changes in connection with the administration of the act.

Mr. Best: Mr. Chairman, I want to speak briefly this afternoon on the amendments to the Pension Act now before the house. Remarks have been made by many members about the excellent prospects envisaged by the resolution and the importance it will have to the some million and a quarter veterans throughout our country.

First of all, however, before discussing the measure I should like to congratulate the new Minister of Veterans Affairs. I think we all must pay tribute also to Colonel Brooks, the last minister, a member of the house for some 25 years, during whose period of approximately three and one half years as minister of the department many important changes and improvements were made.

The resolution before us at the moment is, I think, an excellent one, and comments to that effect have been made by officials of the Canadian Legion and other interested bodies across Canada. I should like to make some comments on the purposes of the legislation. Following upon its announcement in the speech from the throne, it is proposed by this legislation to increase the rate of pensions payable to disabled war veterans and to the dependants of those who lost their lives in the service of Canada. Incidentally, the number who lost their lives in the first and second world wars total some 104,000 Canadians. This, then, is one objective of the legislation.

Second, its purpose is to provide for increases in the maximum grants for burial expenses of pensioners. The amendment provides that the rates of such grants will keep

pace with similar payments for veterans who die in our treatment hospitals. The purposes and objectives of the legislation were outlined in some detail by the new Minister of Veterans Affairs on December 12, 1960 as found on pages 734 and 735 of *Hansard*.

A third aspect of the resolution deals with Canadian citizens who served in an allied force during either of the wars. It is proposed to bring in an amendment under which they may claim entitlement from the Canadian pension commission when their claims have been rejected by the government of the allied force in which they served.

Fourth, there are certain amendments which will affect payments to children. As the minister pointed out, the rates are to be increased. In addition there are certain technical changes involving the month in which a child becomes ineligible for such a pension during the sixteenth and seventeenth years. A further amendment will also provide for equalization of payments to all the children of a family rather than the present procedure whereby a greater amount is paid on behalf of the first child than on behalf of the second.

I am sure that these and other amendments will do much to bring a greater measure of fairness to this most important legislation. I am sure that some of the miscellaneous amendments and procedural changes in the Pension Act and its administration will also have a beneficial effect on our veterans and their dependants.

In this legislation we are concerned, of course, with our veterans. That goes without saying. Many members of our forces gave their lives and many others gave their health. In all cases they have given a considerable period of their lives to the protection of all of us here in Canada and, indeed, of the whole free world. The numbers of our Canadian veterans are very considerable. I mentioned earlier a million and a quarter people. The figures appear to indicate that from world war I we have some 240,000 survivors, and of this number approximately 49,000 are pensioners with disabilities exceeding 25 per cent. In the case of world war II the figure is 826,000 and the number of pensioners is some 100,000, or slightly over 12 per cent. To these pensioners we indeed owe a great deal. We cannot measure what we owe them, of course, in terms of dollars and cents, but we must try; and the process must be a continual one in order to bring about an increased measure of fairness in compensation to them for what they gave for us.

I thing we might look briefly at the past record. During the last three or four years the record has indeed been considerable. During Colonel Brooks' occupation of the portfolio of veterans affairs some $47½ million was added by consent of the house to the amount being received by our veterans in disability pensions and war veterans allowances, and through increases to widows and dependant parents, educational assistance to children and increases for hospitals. This is indeed a considerable figure. Other things have been done as well. The resistance requirement for allied veterans was lowered from 20 to 10 years, and additional funds were made available for the Veterans' Land Act as well as in home construction loans for veterans. In summary, I think the record of the last three and a half or four years has been considerable and important.

One thing that strikes me about the many veterans in my riding, and I am sure this is true across the country, is that they continue to render service. Their service is not just in wartime. They appear to take part in virtually every community activity that goes on in my area, and I am sure that is true of other places across Canada.

I think it is important to know what our veterans are doing and not beside the point we are considering at the moment, because if we know what they are doing we will know better what they need and what their wishes and requests are, and I think that has an important relationship to this legislation. We have many important veterans organizations such as the Canadian Legion, the war amputation associations and various service associations across Canada. These and other organizations presented to the veterans affairs committee established in 1958, for which the government must be congratulated, briefs and important requests as to what should be done with respect to our veterans affairs legislation.

In my own country, for instance, there are some 2,000 to 3,000 members of the Canadian Legion. We have important and major branches of the Legion in towns such as Acton, Georgetown, Milton, Oakville and Burlington. In these communities our veterans, and our Legion members in particular, have made most important contributions. In my own home town of Georgetown they have recently contributed some $10,000 to the new hospital. In every community in my riding, and I am sure across Canada, they are most active in children's sports activities such as baseball and hockey. In my communities with a population of from 4,000 to 10,000 or more, one finds that 300 or 400 or more children each week are organized into sports activities by members of the Canadian Legion. In the town of Milton in my riding they take part in a portable hospital equipment campaign which makes equipment available to people in their homes.

A new Legion building in the town of Burlington in my riding has added much to that area. As an example of the community spirit and the continuing service which has been rendered by these veterans, I recall that two years ago when a school burned down in the town of Acton, a portion of the Canadian Legion building in that town was immediately turned over to the school children for their classes. Winter works projects are playing a part in the Legion activities, and funds have been contributed toward various such projects in my area. The veterans, acting through the Legion and working in community activities, are doing many things on a provincial and national basis. One example of this which comes to my mind is the eye bank. I believe also that about $75,000 or $80,000 has been paid out each year in scholarships to children going to universities in Ontario. These are some of the contributions they have made, Mr. Chairman.

What do our veterans ask of us in so far as this legislation is concerned, and perhaps with respect to future amendments or administrative changes? In talking to the veterans in my riding I note that the first thing they request is a substantial pension increase to disabled veterans. I should like to look briefly at a recent issue of the Legion magazine, the *Legionary*, for January, 1961, pages 4 and 7. We find that some of the financial problems facing our disabled veterans are outlined there. For instance, in the period from 1920 to 1957, and indeed until today, the annual pension of a 100 per cent disabled single pensioner has been increased from $900 a year to $1,800. The amount was doubled in that period of about 40 years.

If one compares that, as this issue of the *Legionary* does, with what they call a composite average wage from the year 1919 to 1958, one gets a different picture. This composite wage in 1919 was $900, about on a par with the pension granted at that time. The composite average wage in 1958 was $3,600, or four times the 1919 figure. While pensions have doubled during this time, we find that the composite average wage has been multiplied four times. I think this is a measure of the plight of some of our veterans. We are most pleased to see our government taking important action in this field.

It has been pointed out by several members during the last two days that section 70, the benefit of doubt section, as applied by our pension commission needs some attention. The Canadian Legion has indicated, and these figures must be available to all, that nearly 50 per cent of the cases heard on appeal during the year 1958-59 were successful. I feel that this rather extraordinary record points up the difficulty that there must be during the first hearing, and suggests that some change is needed. There should be a clearer interpretation of section 70 in order to give the veteran the benefit of the doubt. Indeed, I think the benefit of the doubt should not be interpreted in favour of the commission but must be given to the veteran himself.

It is not unnatural that in certain cases, perhaps judged on the medical evidence alone, some doubt would remain as to whether such injuries or complications resulted during wartime or before or after. In a field such as medicine this sort of doubt is only natural, and that such doubt should occur in a large number of cases is only natural. If we are putting the elimination of doubt on this basis of medical certainty, then it is only normal that a large number of cases will be turned down. However, if the veteran were given the benefit of the doubt I think we would reach a more equitable solution. This is one thing my Legion members are requesting.

The next request is for some change in the appeal board situation, perhaps in the way of balancing the composition of the board with a doctor, a lawyer and a layman. I believe this was the original intention. This point has been mentioned to me on numerous occasions. It may be that with such appeal boards the medical doubt takes precedence over the doubt that may exist in other parts of the case, particularly if there is more than one doctor. If the composition of such boards were changed somewhat it might be that a more realistic application of existing laws would be made.

These, Mr. Chairman, are the matters that have been brought to my attention by the veterans in my riding. They are delighted at the prospects for changes in this legislation, and we are indeed looking forward to the spelling out of the details regarding pensions and other matters in the immediate future.

(Translation):

Mr. Pigeon: Mr. Chairman, one can never give enough praise to the government which concerns itself again with the veterans in putting forward amendments to the Pension Act.

Many veterans live in the constituency of Joliette-L'Assomption-Montcalm where we also have three branches of the Canadian Legion, at Joliette, Terrebonne Heights and Rawdon.

As other members have stated, veterans have made many a sacrifice in two world wars, and I wish to add my voice to that of the other members who made suggestions about the Canadian pension commission and the benefit of the doubt clause.

Many veterans are denied a pension after they have become ill or incapacitated following their service in the armed forces.

Moral evidence exists, but it is often hard to establish on medical evidence whether the illness or incapacity developed at the time the veteran was a member of the armed forces. Therefore, I would ask the Canadian pension commission to give the veteran the benefit of the doubt.

I should like also to make the following suggestion to the government: if my information is accurate, some crown corporations, such as Canadian Arsenals, do not give any preference to veterans for employment purposes. Therefore, I would ask the government to give them that preference, other things being equal, and when some employees have to be laid off veterans should be kept on.

Mr. Chairman, I only wanted to make those few remarks and to congratulate the new Minister of Veterans Affairs (Mr. Churchill).

(Text):

Mr. Macdonnell: Mr. Chairman, I just want to add a word before this resolution carries. I do not think anything needs to be added to the arguments or to the expressions of approval which have been given. I should like to say that in my own experience I think the Department of Veterans Affairs has shown the most admirable consideration for the veterans. I have always found that the pension advocates in particular really look after their clients as if they were being paid on the basis of the results.

I should also like to reiterate what has been said about the present minister and his predecessor, and to mention one or two names that I do not recall having been mentioned, inasmuch as we owe so much over many years to the men who have worked on these committees and have never relaxed their efforts to see that veterans were looked after. I refer to the Secretary of State for External Affairs and the present lieutenant governor of British Columbia. Both of them, along with the others mentioned, devoted unceasing efforts to this cause.

Before I take my seat I should just like to add one slight bit of what I suppose might be called atmosphere. It might be of interest if it comes to the eyes of any of those who were around in August, 1914. It is extremely hard for people whose memory does not go back to that date to realize the feeling at that moment. I think there were two feelings. First of all there was the overwhelming feeling that war which up to that time in our memory had been rather a trivial thing—a brush on the northwest frontier of India—that lasted only a few days suddenly had become a real and terrible thing. But happily there were still those who could take it lightly. You meet them in every army. I refer to people who do not take things too seriously.

I should like to put on record one case about which I know, that of a young man who joined up in August, 1914. I think his chief fear was that the war might not last long enough for him to get into it. That did not prove to be the case. In those days the pay was dished out in a rather informal manner. The paymaster just came around with a wad of bills and handed them out here and there. When handing them over to this young soldier he was surprised to hear him say, "What is that for?" The paymaster said, "That is your pay". "My God," said the young recruit, "do we get paid to fight?"

I like to think there were people like that around. They are needed to keep up the spirit of every army. I do not know about the career of that young man during the war. However, I am quite sure that he was a good soldier. Perhaps one could compare him with those who are mentioned in lines from Tennyson's "Ulysses":

> —My mariners, . . .
> That ever with a frolic welcome took
> The thunder and the sunshine,—

Mr. McLennan: Mr. Chairman, may I just wish the minister well in his new portfolio. I trust that he will show real initiative in the interests and the welfare of our veterans.

I congratulate the minister and the government on bringing in this resolution. Although we do not know the amount of the increases the bill will suggest, I hope they will be as generous as possible. Although this resolution covers only disability pensioners, I hope the minister will bring in a resolution dealing with the war veterans allowance, and that it will be on the same basis and effective at the same time as this legislation.

Many veterans on war veterans allowance find themselves in embarrassed circumstances today. With reference to the veterans of world war I who are now in the twilight of their lives and who spent one to four years in the mud and rat infested trenches in France and Belgium under heavy artillery fire, may I say this. Although they may not have been wounded, they suffered physical impairment which was indiscernible at that time. When hostilities ceased they were mentally upset, and by the time they got settled down or reestablished they ran into the years of the world-wide depression. Many had a difficult time in scraping out a bare existence. Others lost their savings and their insurance. Others ran into debt which took them years to pay off. Those were their most productive years and the years of their greatest earning power. Many of them never had a fair chance to provide for their declining years. I hope they will get the same treatment as those who were

on veterans pensions, the treatment they deserve. I repeat that I hope the minister brings in a duplicate resolution on war veterans allowance.

Mr. Baldwin: Mr. Chairman, I want briefly to add my voice to those who have spoken with approbation of this resolution and who look with anticipation to the legislation which will follow. I think it would be gilding the lily to say much more than has been said already. However, I feel that if I remained silent I would be derelict in my duty to my constituency, in which there was a tremendous record of enlistments during the early part of the war, in which there has been such a large percentage of veterans who have rehabilitated themselves, both those who were pensionable and those without pensions, and in which there is a tremendous interest in the Canadian Legion, which has many branches in all parts of the Peace river country. Indeed, at many of the meetings I have attended parts of this resolution were the subject matter of keen and intelligent discussion. I certainly think the minister and the government are to be complimented on the introduction of the resolution.

Something has been said about the principle of the benefit of the doubt. It would seem to me that this is a term which has a definite and specific connotation in the minds of the courts and lawyers. In any case where there is a dispute between the crown and a subject or citizen, when all the evidence has been introduced and is before a tribunal, if it is difficult for the tribunal to formulate a firm decision then the benefit of the doubt must be given to the citizen as against the crown. That is something which has come down to us through generations and centuries of our legal experience in common law. I would think that the intention of those who drafted this particular section must have been guided to this particular phrase and its meaning. I certainly hope that from and after the introduction of this resolution that principle will be applied.

I want to deal briefly with something which I think should be mentioned at this time. It was raised by members from Newfoundland. Let me say first, as a condition precedent, that I had the privilege of serving both in this country and overseas with Newfoundlanders who were in the Canadian forces. They were the best of soldiers and the best of people. Certainly there is no reason, as the hon. member for Burin-Burgeo has said, why they should not be entitled to be put in precisely the same position as other Canadians.

However, there is a right way and a wrong way in which to achieve that end. When we come to consider the invitations which were extended by the hon. member for Burin-Burgeo, the hon. member for Bonavista-Twillingate and others, I suggest that they are in fact inviting this government to violate the sanctity of the British North America Act. I had the privilege of hearing the speech of the hon. member for Burin-Burgeo. I also read what he had to say, and I did so carefully. He referred to section 38 or, as he called it, term 38 which, as he said correctly, is part of a schedule attached to the British North America Act amendment of 1949. As such it becomes part of our constitution and cannot be in any way amended or changed save by the method laid out and provided by practice and by the British North America Act itself. That is particularly so where this is in fact a contract between two parties.

The hon. member made that suggestion because there was not contained within the four corners of term 38 the provision that he considered should be there, namely that veterans who prior to 1949 had not applied for and obtained a pension should not be compelled to go to the United Kingdom, obtain the pension which would be payable pursuant to the regulations of that country, and then come back to Canada to have it supplemented to the same level as that of Canadian veterans. I think he has a case there. There is a point there, but that is not the question.

I have read term 38 quite carefully, and twist, contort and torture it as you will, you cannot at any time read that interpretation into it. I think it would be quite wrong for this or any government to be asked to place an incorrect interpretation, no matter with what laudable motive, on a portion of the constitution with the intention that it should achieve a desirable result.

The other alternative suggested was this. If you cannot interpret it in that way, why not introduce in these amendments to the Pension Act a section or a provision which would give this particular privilege, or would restore to these veterans the same privileges that apply to other Canadians? I take it that would be nothing but a unilateral declaration by the Canadian government as to part of the constitution. As I say, the motive may be quite laudable, but I am quite certain that no province, and particularly the province of Newfoundland, would welcome an attempt by this government to so deal with this particular matter.

It seems to me that if we are to achieve this result it may be necessary to seek a proper constitutional amendment. I suppose for the next 20 years this government may be compelled to pick up the bits and pieces of the legislation of the previous government and remedy its defects. I think we may as well start now, by doing it in a proper

way when we have to do it. For that reason I support what was said by the hon. member for Saskatoon, that this is a serious matter which should engage the attention of the Department of Justice. When we attempt to achieve for the people of Newfoundland those things to which they are entitled, it should be done in the proper way.

Mr. Carter: Mr. Chairman, I wonder whether the hon. member would permit a question. I listened very carefully to what he had to say, and I wonder whether he would tell the committee what there is now, either in the terms of union or in any legislation pertaining to veterans' pensions, that prevents the Canadian pension commission from interpreting the act in the way we say it should be interpreted. The hon. member made the point that if you want to put a different interpretation on it you must follow the proper procedure required to change the constitution. But our stand is this; that there is no need to do that, because the wording is quite clear and it is just a matter of how we ourselves decide to interpret those words. That does not require any amendment; that only requires an exercise of will.

(Translation):

Mr. Habel: Mr. Chairman, I should like to make a few brief remarks on this resolution to amend the Pension Act in order to provide for pension increases to veterans.

This legislation will certainly be welcomed by all veterans. There are five branches of the Canadian Legion in my constituency, and I know they will all be delighted to learn that the government has finally decided to more or less agree to the Legion's request made last year in the committee on veterans affairs.

There is one point, however, which I would like to clarify. I was somewhat surprised to hear members of this house, especially on the government side, shower fulsome praise on the new minister (Mr. Churchill) and, I might add, convey him all kinds of good wishes. There is no doubt that the Minister of Veterans Affairs will put all his heart into his efforts to solve the problems which will occur in his department. I would add, however, in all fairness towards the Canadian Legion, as well as towards its branches in my constituency, that the best watching over veterans rights is done by the Canadian Legion itself.

I am glad to say that the five branches of the Legion are most active in my constituency and deal enthusiastically with all cases submitted to their attention, either from the point of view of pensions or from the point of view of veterans' assistance.

[Mr. Baldwin.]

It would seem therefore, Mr. Chairman, that it would have been only fair and reasonable for the members on the government side to attribute greater merit to the Canadian Legion. Yet they preferred to commend this government which, after all, merely carries on the work begun by the previous administration, which brought forward the veterans' charter, for the welfare of these men and that of their families.

(Text):

Mr. Jones: I thought, Mr. Chairman, we might just clear up some of the ambiguities that seem to have arisen over these representations in regard to the status of Newfoundland veterans. Yesterday, February 8, as reported at page 1867 of *Hansard*, the hon. member for Bonavista-Twillingate said:

> It may well be asked what right have I to get up and say anything on this subject—

In other words the subject of Newfoundland veterans:

> —because from 1953 to 1957 I was a member of the government and was the representative in the government of the province of Newfoundland. While I admit all that, as my friend the hon. member for Burin-Burgeo pointed out, this problem was not brought to our attention at that time by these people.

That was the contention of the hon. member for Bonavista-Twillingate yesterday, and he was referring to remarks made by the hon. member for Burin-Burgeo on February 7 as reported at page 1806 of *Hansard*, as follows:

> I know that hon. members will say, why has all this time passed and nothing been done about it? This is a fair question. Nothing has been done about it because we did not know about it until 1955 or 1956. We did not get any complaints from the veterans. I suppose one of the reasons we did not get complaints was that the average veteran did not know about term 38.

And so on. I suppose with the passage of time memories grow short, but I would point out to this committee that on November 23, 1953, this very matter was brought to the attention of the Liberal minister of veterans affairs, Hon. Hugues Lapointe, by the hon. member for Bonavista-Twillingate, who has now forgotten that he made this earlier representation. On that date he wrote a letter to the former minister of veterans affairs asking if something could be done. The minister at that time replied:

> —I suggest it would hardly be proper to place the Newfoundland veteran in a preferred position to Canadian veterans who served with the same forces, many of whom were born in Canada.

Mr. Tucker: Mr. Chairman, I wonder whether the hon. member would state from what he is reading.

Mr. Jones: It is a letter dated December 7, 1953 from the former minister of veterans

affairs, Hon. Hugues Lapointe, to the hon. member for Bonavista-Twillingate, who was a member of the house at that time.

I refer also, to the question of the Newfoundland overseas forestry units. On June 16, 1952 representations were made to the former government in this regard. In order that there may be no doubt about this situation I should like to repeat what I said to the committee in this regard yesterday when I was speaking on this subject. I stated then, as will be found on page 1864 of *Hansard*:

> May I say to the Newfoundland members that they may be assured that I intend to ask at the earliest possible opportunity for a study to be made of term 38 both by the Department of Veterans Affairs and the Department of Justice in order that the fullest consideration may be given to the representations which have been made both by the Canadian Legion and by hon. members of this house.

As has been pointed out in the course of this debate, it is necessary for a study to be made. Obviously, in the light of the reply which the minister of veterans affairs gave in 1953 to this question, such a study is necessary if it is to be determined with precision what exactly is the entitlement of Newfoundland veterans under term 38, or if it is to be expanded to include representations which were made to the government of that day and which have since been repeated in that regard.

Mr. Stewart: In rising to take part in this debate I have no intention of delaying unduly the passage of this resolution, but in view of the contribution made in both the first and second world wars by men and women from my constituency I feel I have a definite obligation to speak at this time.

I should like first of all to associate myself with what was said by the present Minister of Veterans Affairs when he spoke in this house on December 12, congratulating his predecessor, now a member of the other place, on the work he had done in connection with veterans legislation. Colonel Brooks, now Senator Brooks, was a distinguished member of the armed services in two world wars and a distinguished member of the opposition before he became minister of veterans affairs. I can assure this committee that at all times Colonel Brooks held the interest of the veterans as his first consideration.

It has been my privilege to serve as a member of the standing committee on veterans affairs for the past three sessions and again this session. We Canadians, and this parliament of Canada, owe a great deal to those men and women who, without considering the sacrifice, gave of their best in the cause of freedom. We do not discharge our obligations to them by erecting cenotaphs, monuments or placing marble plaques in our public buildings. These might bear mute though eloquent testimony to the memory of those they commemorate, but they do not compensate for the sacrifices which those people made incidental to the conflict in which they were engaged. I realize that we cannot measure suffering, hardship and sacrifice in terms of money. However, we can, as far as we are able, provide that those who suffered shall not be in a worse position than those who did not make sacrifices.

Many of our veterans—and a great deal of credit is due to them—came back from the conflict and were able to rehabilitate themselves satisfactorily. Others were not, and it is to them that we must be always ready and willing to lend a sympathetic ear and a helping hand. Since 1957 this government has been most arduous in its legislation and activities concerning pension benefits. I do not intend to review in any detail what has been done. Previous speakers have indicated some of the work which has been carried out by this government since 1957. We had a forecast by the Prime Minister some time ago that there would be an increase in pension benefits, and the resolution before us provides for such increases, provides for better appeal provisions and provides also for other fringe benefits.

This is not a problem which is lessening. The problem of veterans and their treatment is one which is growing and will continue to grow as the veterans become older. The former minister of veterans affairs, speaking to the Canadian Legion at its annual convention, said, as reported at page 12 of the pamphlet containing his speech:

> In 1920 there were about 570,000 veterans of what was then known as the great war. By 1945 this number was down to around 350,000 but world war II had added a million new ones.

Later in the course of the same speech the former minister said:

> In 1950 it was estimated that there were around 200,000 world war I veterans under age 60, and about 110,000 over that age. There were then about 35,000 war veterans allowances in payment, for which the annual liability was just over $24 millions.

Dealing with the present position he said:

> Let us look ahead now over the next 15 years, by which time we estimate that about 80,000 great war veterans will be living in Canada, and that around 200,000 world war II veterans will be over age 60.

Then to quote further:

> To peer further into the future is difficult, but we can predict fairly accurately, from mortality tables, the veteran population of Canada for any particular year. For example, we estimate that, in 1980, there will be 342,000 world war II veterans aged 60 and over; and that the largest number of veterans in that age group—515,000—will occur in 1986.

Hon. members will see from these figures that this is a growing problem and one which must be met from day to day. I would suggest, as others have suggested to the minister, that a similar resolution dealing with war allowance provisions be introduced in order that an increase in pensions may not mean, in effect, a decrease in war allowance payments. I would also suggest that the war allowance ceiling be raised so that those veterans who are desirous of earning more might be in a position to do so.

A great deal has been said about the benefit of the doubt clause. As hon. members have pointed out, this is quite a familiar phrase to those of us who are lawyers, but no judge has been able to define precisely or satisfactorily "what is a reasonable doubt." We interpret it as meaning that if after all the evidence has been heard there is any doubt on the whole case, or on any phase of it, that doubt must be resolved in favour of the accused person. I think the same interpretation should apply to applications for a pension before the pension commission. If there is any doubt on any phase of the medical evidence, and that is the prime factor, it should be given in favour of the applicant.

I should also like to suggest that the procedure on appeal be made simpler; that provision be made for the introduction of new evidence, if necessary, before the appeal board. I do hope that when the bill is considered in committee these and other matters will be dealt with. I want to assure the veterans of my constituency and veterans generally that any reasonable request by them will be given every consideration.

Mr. Phillips: Mr. Chairman, it is appropriate that I should say a few words on this occasion. My province had the highest percentage of volunteers of any area of Canada and my riding, of course, was very well represented in that regard. We have a very large number of legionnaires throughout the riding, and the Summerside Legion branch has one of the finest Legion homes and is one of the best branches in Canada.

I should also like to extend my congratulations to the new Minister of Veterans Affairs and his parliamentary secretary. The former minister, Colonel Alfred Brooks, was well known in my province, and I am sure that many veterans, as well as the members of this house, will wish him success in his new post.

A great deal has been said about the increased benefits that have been granted to veterans in the last few years, and I do not intend to review this other than to comment that they have been a source of great satisfaction to myself. This new legislation will add further benefits to those already granted. However, there are several remarks that I should like to make, and in particular I should like to refer to the veteran who receives a disability pension and the remainder of whose income is made up of a war veterans allowance. It is imperative that the War Veterans' Allowance Act be reviewed at an early date to permit deserving veterans to obtain the benefit of the legislation now before the house. I am sure that the Minister of Veterans Affairs and the government will listen to members from all sides of the house who have made this recommendation.

The remainder of the resolution deals with the benefit of the doubt and administration. I think possibly, sir, I can illustrate my feelings in this regard by referring to a number of cases about which I have been in contact with the Canadian pension commission. Here perhaps I can point out to my constituents that the pension commission is an independent organization and removed from the Minister of Veterans Affairs. The commission makes its own decisions and not the Minister of Veterans Affairs.

One case that I find most particularly annoying concerns a young chap who volunteered early in the war and proceeded overseas as a dispatch rider. He was injured in a motorcycle accident one evening; he was taken to an English civilian hospital, spent some time in hospital, returned to his unit and was on light duty. After his discharge he began to suffer pains in the back of his head where he had been injured in the accident. He got in touch with the Canadian pension commission for a pension. They took the attitude that the pains in the back of his head were imaginary, and he has been going back and forth for renewal hearings for the last 12 years. With the assistance of Colonel Brooks I was able to get him admitted to Camp Hill Hospital for an examination by specialists at that institution. He was examined by a neurologist, who reported that there was definitely trauma and that it was the source of the pain. However, six weeks later he received a phone call from another member of the medical staff who pointed out that in an interview with him the veteran had stated that he was in hospital a month and that was incorrect, and for no apparent reason the neurologist reversed his decision and the veteran is still attempting to get his pension.

Last year I wrote to the Canadian pension commission about this case. I referred them to the benefit of the doubt section and also to the earlier report of the neurologist, together with the fact that it has been impossible to obtain records from the English civilian hospital. After the renewal hearing they made the same decision. On checking his records, sir, at the renewal hearing I find that one

member of the commission has sat on each of his several renewal hearings. I think that points up a number of things that have been mentioned by members in this debate, namely the apparent disregard for the benefit of the doubt, the need of a new system of appeal, and the numerous cases in which medical documentation is not complete.

Another case that I would like to refer to concerns another young chap who served in Italy in 1944. He began to complain of chest pains and shortness of breath. He was examined by a medical officer. In all fairness to the medical officer it must be pointed out that the examination was probably conducted under anything but satisfactory conditions. The doctor attributed the chest pains and shortness of breath to a nervous condition. The young man returned to Canada after the war and shortly after discharge he suffered a heart attack. He was forced to sell his business and his wife was compelled to go to work to earn a living for him. In this case the Canadian pension commission ruled that the cardiac condition was pre-enlistment and was not aggravated during service.

I am sure that a great many veterans who made the tour through Italy would disagree with that decision. In addition, the pension commission has completely ignored his complaints of 1944, which I think point to aggravation of a heart condition whether or not it was pre-enlistment.

Recently I had the opportunity of talking with a former medical officer of the Royal Canadian Navy. He was relating some of his experiences, and referred to the fact that he often wonders about the present documentation. He told me the story of a convoy arriving in Newfoundland after a very difficult crossing of the Atlantic, and in a short while he was expected to examine 140 men. He often wonders now about the documentation. He states that it was impossible for him to make an adequate examination and at the same time enter his findings on the individual's documents.

Therefore I submit that the pension commission must bear these matters in mind and not depend entirely upon the medical documentation. I am hopeful that when the legislation is presented to the house it will provide the means to correct these injustices, and I look forward to seeing the legislation.

Mr. Henderson: Mr. Chairman, I am not going to take much time. I was a soldier in the first world war. I did not win the war, although I was there. I am pleased with the appointment of the new Minister of Veterans Affairs, because he is a man who fought in two wars and he knows what it is all about.

I am not going to take much time because I should like to see the bill passed. All I want is to see the allowance large enough so that the recipient will get a decent living. When we went overseas it was said that "nothing is too good for you" and afterwards the veterans said, "Wasn't it true? Nothing was too good."

I believe that the application of section 70 is wrong. There is always a doubt, and who gets the benefit of the doubt? The soldier is the fellow who comes off second best. Living costs so much today that the pension has got to be better than it is. When war veterans allowances are considered we should see to it that these men get enough money so they will not have to worry in their old age. They had to worry in the trenches. Politics did not count in those days. The fellow who laid alongside you in the trenches was not interested in whether you were a Grit or a C.C.F.'er or what you were. All he thought was that you were his buddy and you were there to help him and he was there to help you. Therefore I simply hope that the pension will be large enough so that these men can get a decent living.

Mr. More: Mr. Chairman, in rising to speak briefly on the resolution I want to echo the congratulations extended by previous speakers to the new minister, his predecessor, the minister's parliamentary secretary and the other illustrious ministers who have been charged with the administration of this department in past years. I think it has generally been the case that capable men with the experience necessary to take charge of this department have always been found.

I wish to make a couple of observations. I am not a veteran. I was precluded from serving because of a serious illness, and I have always felt as I move amongst veterans today and meet them on the occasion of various celebrations that they have something of which I am very jealous. They have earned it and I did not, and I am pleased to have the opportunity from time to time to mingle with them, to listen to their experiences and their problems and to be as helpful as I can in bringing about justice for some of them where injustice seems to prevail.

From that point of view I think I can make an observation which I am sure will be fully supported. I believe that the grateful people of Canada desire that, through legislation passed by parliament, their gratitude and their regard for the veterans be shown in an adequate and substantial manner. I believe that has generally been the intent of parliament in the legislation that has been passed and revised from time to time in order to keep it up to date so as to meet the problems of the veterans.

We all must realize that as time goes on and veterans become older, their problems are greater. Some of them who have had companions to help them through life have lost them, and their present position in the twilight years becomes almost untenable without sincerity, sympathy and help being extended to them.

I raise my voice at this time because I believe parliament always intended that the benefit of the doubt should be given to the veteran. I suggest, Mr. Chairman, that members are not wasting the time of the committee by speaking in numbers on this occasion. We are making the desire and intention of parliament known to those charged with the administration of the act. I cannot believe that these people have heard the voice of parliament in this regard and fully understand our desire. When some 50 per cent to 52 per cent of appeals from their decisions are allowed, it indicates to me a great lack of judgment in the initial consideration of these cases.

This is a serious matter to the veteran concerned. I have run across some of these cases which have been delayed for weeks and weeks and even months and months because of appeals and the fact that new evidence has been demanded. This is all right if the veteran is in a fair state of competence, but in many of these cases he has reached the point in the road which brought about the application in the first place, and the longer attention to and decision on the application is delayed the more serious the problem of the veteran becomes. In making these observations I do so in the hope that the addition of my voice to those of hon. members who have already spoken will bring about a more positive interpretation of the will of parliament by the administrators of the act.

I am very proud of the veterans organizations that exist in my community; I think they are among the finest in the country. The number of members of the house who are veterans indicates to me that, having served in war, they are not neglecting their responsibilities in times of peace and are discharging those responsibilities most efficiently.

The Canadian Legion, in particular the Saskatchewan command and our own Regina branch, has done an admirable job in so far as I am aware through my own work. They have gone to all lengths to properly attend to the demands made upon them by the veterans and their dependents. I do not know of a case in which they have let the veteran down. The results of their representations have not always been those for which we hoped, but at least I can say to all veterans and their dependents in Regina and in the province that they have been given the most adequate service through their Legion branches.

I should like to make one other observation, Mr. Chairman, with regard to the allowances. I do not believe it would be fair, reasonable or satisfactory if this part of the legislation were to be improved at this session and the war veterans allowances forgotten. I seriously urge upon the minister the bringing up to date of the war veterans allowances at this session.

Mr. Fane: I feel that the debate on this resolution could not possibly be complete without a few words from me on behalf of the veterans in the Vegreville constituency. There are a great many branches of the Legion there, and all are well attended. I can assure you that there is strong support amongst the veterans of this area for the present Department of Veterans Affairs.

Before I go any further I should like to congratulate our new minister upon his appointment to this department, the department about which there is the least controversy. It really is wonderful to find that when veterans affairs are being discussed everybody, whatever their political affiliations, wholeheartedly supports legislation for the benefit of the veterans. It is too bad that other departments could not receive the same treatment. At the same time I should like to convey my personal congratulations to the former minister, Colonel Brooks, on his elevation to his new post. He did a wonderful job when he was minister. He was always a great advocate for the rights of the ex-servicemen, and I am sure that everyone here wishes him well in his new post.

There is actually very little more to be said about this resolution, Mr. Chairman. Almost everything that could be said has been said and my remarks, therefore, will be very brief. When the minister brought this resolution before us on December 12 I was extremely pleased with its wording. I refer especially to the part which reads:

> That it is expedient to bring in a measure to amend the Pension Act to provide for increases to disabled veterans and their dependents; to permit payment of supplementary pensions in certain cases; to permit appeals from decisions of the former board of pension commissioners; and to provide for certain further changes in connection with the administration of the act.

Those things are all good, and they are the things the veterans have been wanting. At the same time it must not be forgotten that in 1957 the war pensioners of Canada received an increase in pensions which amounted to some $47.5 million. These increases were granted to approximately 150,000 pensioners of the two world wars and

Korea. It is gratifying to know that pension increases are being granted to the veterans, and I trust that these increases will be adequate to look after their requirements. The widows' allowances, allowances to dependent parents, allowances for educational purposes and so on, are also to be increased. I believe this provision will be of great help to these people who carried on their shoulders the weight of the actual fighting in the war. There will be increases also in the amounts paid for hospitalization.

I should like to conclude by saying that a good many veterans will be very happy when the War Veterans Allowance Act is reviewed and those people who have served their country well will become eligible for larger payments. I know that at this time we are not allowed to discuss the War Veterans Allowance Act, but when the time comes I will be here to say a few more words about it.

Mr. Matthews: Mr. Chairman, it is always a pleasure to take part in any activity that is in support of the future well-being of Canadian veterans. In rising to support this resolution introduced by the Minister of Veterans Affairs, I would say that this is no exception. As a member of the standing committee on veterans affairs I was very disappointed, along with other members, that changes in the Pension Act which would have benefited all veterans could not be dealt with during the last session.

Since coming to the House of Commons I have had the pleasure of being a member of the standing committee on veterans affairs, and I am looking forward to the meetings to be held during this session. We will all be pleased to work again with the deputy minister, Mr. Lalonde, and the other members of this very important department. We will, of course, miss having Hon. A. J. Brooks with us. I am sure all members of the committee will agree with me when I say that his work in support of the veterans has been valuable for many years. All members of the committee are aware also of the fine work of the present Minister of Northern Affairs and National Resources on behalf of the veterans of Canada. I am sure that his interest and service to all veterans will continue, even though he will not be a member of this committee.

I am very happy to congratulate the new Minister of Veterans Affairs on his appointment. Hon. Gordon Churchill, D.S.O., served overseas as a Vickers machine-gunner from 1916 to 1919. From 1939 to 1945 he served with the Fort Garry Horse and was commanding officer of the First Canadian armoured carrier regiment in northwest Europe. I am sure all veterans will be pleased with his appointment. His understanding of the problems of veterans, and his interest in their welfare, will be of great value to all of them.

It is interesting to note that most of the members of the standing committee are veterans, and that many of them belong to the Canadian Legion. On checking the Parliamentary Guide I note that four members of the C.C.F. party, four members of the Liberal party and 45 members of the Progressive Conservative party are members of the Canadian Legion.

On Vancouver island there are thirty seven branches of the Canadian Legion, eight of them being in my constituency. In the constituency of Nanaimo there are the following branches:

Branch	Location
No. 191	Chemainus
No. 210	Lake Cowichan
No. 53	Duncan
No. 92	Salt Spring Island
No. 84	Gulf Islands
No. 171	Ladysmith
No. 256	Nanaimo
No. 10	Nanaimo

I am proud to be a member of Branch No. 256 in Nanaimo. All the Canadian Legion branches in my constituency take an active part in community work. They do not confine their services to veterans but also take part in any worthy project. It is interesting to note that these Legion branches support and sponsor all types of sports and do all they can to help the youth of the district with money, equipment and supervision.

I was interested to learn that the Department of Vetearns Affairs had a staff of 2,000 in 1939. In the training of the members of the organization at that time the staff were told that if they did not have the patience, the understanding, and the sympathy to listen to each veteran's problems and to take the time required to do so properly, regarding the individual's problem as the most important thing in life to him, then they were unfitted for the job they were called upon to do, and that the department would tolerate no such unfitness. I am quite sure that the standards required of the staff of that time are still the standards of the staff today and that a good job is being done.

It is the duty of all hon. members of the standing committee on veterans affairs to keep in mind those instructions given in 1939. It is a privilege and an honour to be a member of this important committee and any hon. member who is not interested enough to keep his attendance up should not be a member of it.

All veterans of Canada will be interested to know that since the Conservative government came into power in 1957 many things

have been done to help them. The Pension Act was thoroughly reviewed. The last previous increase in pensions had been effective January 1, 1952 and a revision was desirable. The following items indicate what was done by the Conservative government. Amendments were made to the Pension Act and to the War Veterans Allowance Act. During the first session of the 24th parliament the standing committee on veterans affairs was set up and a number of important amendments were made to existing legislation, namely amendments to the Veterans Insurance Act, the Returned Soldiers Insurance Act and the Children of War Dead Act.

Continuing the promised review of active veterans legislation, two acts were selected for study during the second session of the twenty fourth parliament, namely the Veterans' Land Act and amendments and the War Service Grants Act and amendments.

I would recommend that the War Veterans Allowance Act be reviewed during this session. The benefit of the doubt should be given to veterans in cases in which some doubt possibly exists, as I am sure that there are veterans who should be getting more consideration.

I might add at this time the following illustration, just taking two veterans out of Canadian Legion Branch No. 10 in Nanaimo, namely, John W. Shorthouse and Matthew Gunniss. Those two veterans certainly are entitled to every consideration the department can give them. Both of these veterans were wounded overseas. When they got out of the army they worked for years. They actually worked when they probably should not have been working. However, they wanted to be on their own. They were extremely independent. However, age has more or less slipped up on them and they are quite old now. I certainly think that any benefit of the doubt should be resolved in their favour. In this instance I do not think there is any doubt at all. But if there is any doubt, I think the decision should be in favour of these two fine men.

In conclusion, I must say that I will support this resolution in full and I am sure that all hon. members here will give it every support.

Mr. Lambert: At the risk of incurring the displeasure and perhaps causing the discomfiture of hon. members whose interest in this resolution seems to be of a passing nature, may I say there are two items upon which I should like to comment. It is true that a number of the members of this House of Commons have spoken but in my opinion there are two things which should be underlined. First of all, there is in the Pension Act a provision which is of a mildly permissive nature whereby the department or the minister may provide domiciliary care for veterans who, for a number of reasons, are unable to look after themselves either because of age or illness. They are not men who are ill in the true sense of the word, in that they should occupy active treatment beds in veterans hospitals. In Edmonton we have one such home for veterans at the former government house.

I must draw to the attention of the members of this committee the fact that this is a well run and happy establishment. Unfortunately, however, it is only about a third of the size required, with the result that active treatment beds in our veterans hospitals in the region are occupied by men who would be far happier and far better looked after in such a type of establishment. I am sure that there are many other regions within the country where this could be done.

As a result of world war I we are now getting a greater number of men in this age category and in this particular category of chronic illness. They are the responsibility of society in one way or another. There is no way of trying to sweep their condition under any carpet. They are veterans. They served their country. Many of them are suffering from advanced age or increased disability because of the rigours of their war service many years ago. If we do not look after them in domiciliary care establishments, they must go on relief or they must be placed in some other public institution; but wherever they are they are still the responsibility of society. I would put it to the members of this committee that their true place is under the wing of the Department of Veterans Affairs. I would suggest to the minister that this is one area of fruitful inquiry in order to see whether the department could not extend its facilities for this particular group of veterans.

Before long there will also be an increasing number of veterans of world war II who may fit into this category. It is not merely a matter of a transitory stage where you can deal with a group of men over a short period of time.

The second point I wish to make is one that has been adverted to by a number of hon. members who have spoken this afternoon, I refer to the benefit of the doubt provision under the Pensions Act. Since my entering parliament in 1957 I believe 90 per cent of the cases of trouble with veterans pensions that have been referred to me have dealt with this difficult position of veterans of world war I where medical examinations on discharge were of a cursory nature, where records were scanty or practically nonexistent and where the initial work of the

pension commission was rather restrictive. We all know—and we need not hide this knowledge—that the initial handling of veterans pensions was rather difficult. Fortunately there has been a change of philosophy and a change of mentality so that veterans now get a better break. The condition is not quite the same with veterans of world war II. Their documentation is in much better shape and they receive much better medical examinations.

For instance, upon coming out of prisoner of war camp I underwent four days of extensive medical examination, and within three months I went through another three days of examination prior to discharge. So there is plenty on record in so far as I am concerned. I am sure that is the experience of most men who came out of the forces after world war II. It is to the credit of the Department of National Defence, the Department of Veterans Affairs and the authorities that this was done. I am sure it is going to save a great deal of trouble in the future.

I wish to come back to the position of these elderly veterans of world war I, and particularly this matter of the 50 per cent disability and whether the widow is entitled to a continuing pension. If her husband did not receive a 50 per cent disability pension, or unless he dies of wounds directly attributable to his war service she is not entitled to any pension. This has caused a great deal of hardship and I am sure there are many, many cases where a little more humane, a little more intelligent interpretation of the facts and a little more generous interpretation of the benefit of the doubt clause would relieve a great deal of this hardship. After all, the alternative for a great many of these people is to become a charge on the state somewhere along the line. Why not bring them under their proper category here under veterans affairs? The cost all comes out of the same pocket eventually, that of the taxpayer.

There is only one thing further I wish to say in this connection. In many cases when the decision of the pension commission is anounced that the disability is not attributable to war service, or that the condition is not aggravated by war service, there has been a long lapse of time. I would put it to the members of this house that in world war II particularly there were large numbers of prisoners of war. I know from personal experience that many of my fellow prisoners of war are now developing symptoms of maladies which are attributable to the time they spent as prisoners of war. They were told by doctors that this might happen. I remember in my own case I was told I was perfectly all right, but that perhaps 15 or 20 years hence something might develop.

I would underline this particular point. That in the case of former prisoners of war or men who have undergone rather rigorous experiences where the after-effects may be delayed, a good, hard look should be given to their present circumstances, and their conditions should be interpreted in the light of those circumstances.

As a member of the Montgomery branch No. 24 of the Canadian Legion, which lays claim to the largest membership of any Canadian Legion branch in Canada, it is my great pleasure to address the members of this house this afternoon.

Mr. Pickersgill: Mr. Chairman, I am rising simply because of a statement made by the hon. member for Nanaimo, who I am sure had no intention of misrepresenting the record when he said there had been no change since 1952 in the scale of pensions until this government came into power. Of course, the hon. gentleman overlooked the change that was made and announced in Mr. Harris' budget in 1957. I feel, therefore, that in order to have the record straight I should put on *Hansard* the paragraph from Mr. Harris' budget speech. This will be found in *Hansard* for May 14, 1957, at page 2221. The then minister of finance said:

> We propose to increase the scales of payments under the Pension Act and the War Veterans Allowance Act. In brief, the basic monthly scale for total disability under the Pension Act will be increased from $125 to $150, or if married from $170 to $200. The widow's pension will be raised from $100 to $115. Under the War Veterans Allowance Act the increase in the married rate will be from $108 to $120 a month. The increased payments will be as from July 1 and the total cost will be about $25 million in a full year and $19 million in this fiscal year.

I think it is all the more important to put this on the record as it has been the systematic policy of the propagandists of the present government to make comparisons between what happened in the last full fiscal year when the Liberals were in office with what has happened since, so that they can by that devious method lay claim to all the changes that were made in that budget of 1957 which, if added together, will be found to be a more substantial increase in social security in that one budget than has been made ever since by the present government.

An hon. Member: Mr. Chairman—

Mr. Pickersgill: I did not interrupt the hon. gentleman last evening, and we on this side of the house have taken very little of the time of the committee. It does seem to me I should be allowed to make this statement without interruption, because we have

listened to one member after another getting up in this committee and saying what a tremendous amount has been done by the present government.

I have never failed to give the present government credit for the few achievements it has accomplished, but I do deplore and object to this utter misrepresentation of the record—

Mr. Speakman: Mr. Chairman, on a point of order—

Mr. Pickersgill: —and to the fact—

Mr. Speakman: On a point of order, Mr. Chairman, I thought we were discussing a resolution, and not the records of either the past or the present government.

The Deputy Chairman: Order. There has been a certain leniency here because I felt the hon. member for Bonavista-Twillingate was making a correction, as to what he thought had been said incorrectly before. However, I would ask the hon. member not to develop this into a full speech.

Mr. Pickersgill: Mr. Chairman, I will certainly not go beyond the scope of the debate as it has taken place up to now and I promise you that I will make no eulogies of former ministers or the present minister, or introduce any of the other extraneous things that have been introduced in practically every speech today.

I am dealing with a statement that was made by an hon. member, and I think by some other hon. members. I shall in a very few minutes deal with this statement made by the hon. member for Nanaimo, a statement that was not correct, and I am sure he did not mean to make a statement that was not correct.

Very substantial changes were made to the Pension Act and other veterans' legislation in 1957 by the former administration, and this pretence that there were no changes should not be allowed to continue.

Mr. Matthews: On a point of order, Mr. Chairman, I would like at this time to thank the hon. member for Bonavista-Twillingate. It is quite interesting to see the change in this attitude—he is quite worried now—from what it was when he was occupying a bench on the other side of the house.

The Deputy Chairman: Perhaps the hon. member would please tell me what is his point of order.

Mr. Hicks: Mr. Chairman, I would like to take a very short time to say a few words on this resolution. I wish to congratulate the minister on bringing this matter to this stage at the present time.

[Mr. Pickersgill.]

I have received many letters and some resolutions, and there were a great many discussions last year in my constituency concerning this matter. The same activity is again evident this year and Canadian Legion members are waiting with anticipation and are hoping that something of value will come out of this session. I am informed that 30 per cent of all Canada's war veterans allowance recipients live in British Columbia, and many of those are in the lower Fraser Valley and on the coast. There are six very active Legion branches in the Fraser valley, and we have been able to be of some assistance to quite a few members. The members are delighted that this act is to be amended and, like many others, wait with anticipation to see what these amendments will bring forth. I, too, am very much in favour of having an amendment made to the War Veterans' Allowance Act.

Mr. Webb: I, too, would like to say a few words at this time on behalf of the veterans of Canada. In the riding I have the honour to represent there are 16 branches of the Canadian Legion. It has been my privilege on many occasions to visit meetings of these branches and attend their social gatherings, and may I say right now that there is no finer group of Canadians today than the members of the Canadian Legion. I have had heart to heart talks with many of these men and I know that if another war were to start tomorrow these same men would be willing to defend their country and loved ones again.

I cannot stress too strongly the importance of this measure. As has been stated already in this committee, I am sure that all the Canadian people will be proud to share their portion of the cost of this legislation.

May I now turn to another urgent question and one which I think merits immediate consideration, namely the need to give re-boards to many of our Canadian veterans? I know many veterans who are definitely entitled to a pension but who, because of previous decisions and red tape which is apparently insurmountable, have been unable to qualify. As a result, they have been deprived of justice. I am certain that consideration of this question is uppermost in the mind of the Minister of Veterans Affairs, a man who can and will speak from authority becauses of his own personal experience.

The Chairman: Shall the motion carry? The Minister of Veterans Affairs.

Mr. Churchill: There may be someone else who would like to speak. If so, I will give the floor to him.

Mr. Pickersgill: The minister does not close the debate.

Mr. Churchill: I was hoping that perhaps I might, that is all.

(Translation):

Mr. Dubois: Mr. Chairman, I am happy to associate myself with previous speakers in commending the Minister of Veterans Affairs (Mr. Churchill) for introducing this resolution to increase the pensions paid to disabled veterans and their dependents.

A great many veterans in the house have taken an active part in this discussion. I am proud of their stand, because they have really shown the interest they take in their former comrades at arms.

In my riding of Richmond-Wolfe there are four branches of the Canadian Legion; they are very active and look with particular care after the interests of our veterans. If one of them is in a plight, the local Legion branch hastens to his help and finds the necessary means of alleviating his sufferings or of helping him financially.

At this point, I should like to make a suggestion. Once this bill is passed by the house, there will be a splendid opportunity of directly informing veterans who live far from any branch of the Canadian Legion of the benefits which this government grants to those who fought overseas to save this Canada of ours from the horrors of war.

Mr. Chairman, once again, I congratulate the minister and all those who have taken part in the debate on this resolution.

(Text):

Mr. Churchill: I shall try to make my remarks somewhat brief, but I should like to thank those hon. members who have taken part in the debate so far. They have numbered, I think, 48; a clear indication to the veterans of Canada that their interests are being well represented here in parliament on both sides of the house. I thank those hon. members who have been very kind in their remarks in so far as I myself am concerned, and I am thankful that the hon. member for Bonavista-Twillingate is not going to eulogise me, because that is one risk I do not want to run in life.

Mr. Pickersgill: I might do it on another occasion.

Mr. Churchill: There has been general acceptance of this resolution. The committee has expressed itself in favour of increases being made in pensions for disabled veterans and of certain other alterations being made to the act. Details in this respect will be before us shortly, I hope. The debate, as it has proceeded, and the many cases which have been cited, have shown that the problem of veterans is a continuing one.

We still have a few survivors of the South African war. There are the veterans of the first world war, the veterans of the second world war and the veterans of the Korean war. Then, of course, there are those who have served or are serving in various posts throughout the world either under NATO or for the United Nations and who, though not necessarily engaged in conflict, are running certain risks with regard to health. Then, again, we must not forget those who suffer injury or disablement in the course of their regular duties in the armed forces. These eventually end up within the scope of this particular act in some instances because of the dangerous nature of the occupations in which they are engaged. Thus we have a continuing problem which must be faced and met by parliament, and which has been met by parliament over the years.

At the same time we have to recognize that the problems which continually arise are not easily solved. Example after example has been given to us in the course of the last two days of difficult, marginal cases where in the opinion of the hon. member speaking something further should have been done. So although the Pension Act has been in existence for a long time and although about 40 years of experience has been acquired with regard to dealing with veterans, in the year 1961 we are nevertheless still made aware of the problems of veterans.

We have not reached final solution with regard to some of these matters. I think it is commendable that so many members have taken an interest in this piece of legislation. It is commendable that the Canadian Legion and other veterans organizations have presented briefs to whichever government was in power, year after year, bringing to the attention of the government the problems of veterans and suggestions as to solving those problems.

The veterans' contribution, either through members here in the House of Commons, or through organizations across the country, has been of substantial assistance to our comrades in arms who suffered more than most of us during the course of their service overseas. We have a continuing obligation to them, which we can fulfil in part through our activity here in the House of Commons and through amending legislation where that appears to be necessary.

Time will not permit me, Mr. Chairman, to deal with some of the particular problems which were raised by many who spoke. The

problem raised by the members from Newfoundland, although it perhaps should have been decided long before this, is something that is rather new to me; it has come to my attention within the last few months and I have been looking into it. The standing committee on veterans affairs should look at this problem again this session.

The same thing applies to war veterans allowances. Although many members mentioned that that act is not under consideration at this moment, there is a danger of confusing people's minds in a discussion of the War Veterans Allowance Act and the Pension Act. Nevertheless, again the standing committee on veterans affairs can consider it and make suggestions. I will go this far and say that already commencing in November, I have instituted a study of the War Veterans Allowance Act to see what is required in the way of amendments thereto and to consider how quickly those amendments might be undertaken. I can make no promises; I am making no promises at this time. I am indicating that I have the matter under advisement and have instituted the necessary study, and I am making a study myself of the War Veterans Allowance Act.

With regard to other problems of veterans that were mentioned, such as merchant seamen, gallantry awards, South African veterans and so on, those are problems which we cannot discuss adequately when we are dealing with amendments to the Pension Act, but the standing committee on veterans affairs can look at these matters and bring them to the attention of myself and of the house. There will be another opportunity, of course, and that is when the estimates of the Departmet of Veterans Affairs are before the committee.

There is one subject that was touched upon by most of the members who spoke in the course of the debate, and that is the application of the benefit of the doubt clause in the Pension Act. They did this, as I understand it, not in criticism of the pension commission, which is held in high regard by members of parliament. Over the years the pension commission and its predecessor, the board of pension commissioners, performed a very valuable service and an extremely arduous one in assessing the cases that came before them. I do not think anyone is critical in a serious way of the pension commission.

On the other hand, the members, as I assess what they have been saying during the last two days, think that the pension commission perhaps has not interpreted the benefit of the doubt clause in the way in which people have expected it to be interpreted. I think it has been said on many occasions that the benefit of the doubt clause has entered into the consideration of the pension commissioners whenever they have had a case before them; but this is an old and continuing problem, and I hope that we can look at it again this year in the standing committee on veterans affairs and in consultation with the pension commission.

As hon. members have rightly pointed out, the commission is an independent body, and properly so. It derives its authority from parliament. It is not subject to the influence of the minister or of any member and makes its own decision and its own interpretation of the act which grants it authority. That being so, our job here as members of the House of Commons is to give assistance to the pension commission, either by amendment of the act under which they operate or by indicating to them the purpose and intent of parliament, as we understand it, with regard to their interpretation of the act. They may not accept our advice, but, on the other hand, I think it would not hurt for them to be aware of the understanding that members of parliament have with regard to this particular clause, clause 70, of the Pension Act. The clause has a long history. I have looked into that history. In 1930 a special committee sat on the problems of pensions and returned soldiers' problems and reported in 1930. The chairman of that committee was the Hon. C. G. Power. It was as a result of that committee's investigation that the benefit of the doubt clause was incorporated in the statutes. When the committee submitted its report, and I am quoting now from page 420 of the report of the special committee on pensions and returned soldiers' problems, it stated as follows:

> In addition to the foregoing questions of organization and procedure the committee proposes the enactment of a general rule governing the commission, the pension tribunal and the appeal court, whereby all reasonable inferences are to be drawn in favour of the applicant, who is to be given the benefit of the doubt, the rules stating that the applicant is to be relieved from the obligation of giving conclusive evidence in favour of his right, an obligation which it is in many cases quite impossible for him to discharge.

Before reaching this conclusion the committee heard from many eminent witnesses. Some of the examples that we have heard in the house today are similar to the examples given 31 years ago by people who appeared before that committee. General Sir Arthur Currie, who was then living, gave an example of a signaller, and I quote:

> He was 37 years of age, big, strong and in perfect physical condition.

That is when he enlisted. General Currie then went on to describe the conditions under which he served in France, as follows:

> Day and night, rain or shine, he must get out and keep the lines repaired. It is not a case of eight

or 10 hours a day, it is a case of 24 hours a day, and for days on end, always working in the battle area. His shelter at the best of times is nothing more than a thin sheet of corrugated iron or an old piece of tarpaulin; it may be nothing more than a shell hole in the broken and poisoned earth. Yet that man must be out all the time in all kinds of weather, wet to the skin, cold, lousy. If he does occupy a rude dug-out the chances are he has rats for companions. He is always in the battle area, shelled and bombed. Do you mean to tell me that those conditions will not affect adversely a man's health?

Then he went on to give the subsequent history of this chap who suffered certain pains and extreme nervousness and was considered to have sciatica for which he received a pension. Subsequently his case was looked at again and was diagnosed as spinal arthritis for which no permanent cure could be effected. In those bad days the board had to reach the conclusion that they could not recognize spinal arthritis as a pensionable disability, so the man lost his pension for sciatica and received nothing at all. The benefit of the doubt clause was incorporated into the act in order to remove that type of difficulty.

The second case, and the only other one I will give, was recalled to my mind by the remarks of the hon. member for Edmonton West who mentioned prisoners of war. There was an instance given in 1930 of a man who had enlisted at the age of 35. In front of Regina trench down on the Somme he received three machine gun bullets in the right leg, fracturing the tibia, and he also received one in the right shoulder. He lay in a shell hole under terrible conditions for four days. The only thing he had to drink was poisoned water in the shell hole. There were two other men in the shell hole with him and one died and the other went mad. This man was hit on Sunday and taken prisoner on the following Thursday. He was treated in Germany, had six operations, was repatriated through Switzerland and had one operation there and one in England. He was returned as a stretcher case to Canada and discharged in 1919 with a 15 per cent pension for the wound in his leg. During his time as a prisoner he developed a stomach condition. No record is available of his medical history while he was a prisoner of war. It is not available to anyone. He developed a stroke. It was decided by the federal appeal board that it was hemiplegia from which he suffered and they gave their orders as follows:

After consideration of the evidence and record the board finds that cerebral hemorrhage resulting in hemiplegia is not attributed to military service. The appeal is disallowed.

These are two examples from that year. Members today have given other examples from the present time. The benefit of the doubt clause was incorporated into the act to make provision for men who could not provide documentary evidence as to the hazards they underwent when they were overseas, whether in the first war or the second, and many men in the second world war suffered just as grievously as men in the first war and suffered from exposure in just the same way. In 1930 that clause was introduced into the act and subsequently it has been amended on three occasions. It will not take me very long to put on the record the four versions of the benefit of the doubt clause so that anyone looking at this debate in the future will have a ready reference. In the 1930 statutes of Canada the section read as follows:

73. Notwithstanding anything in this act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences in favour of the applicant.

In 1946 an amendment was made, the section was renumbered 63 and it read as follows:

63. Notwithstanding anything in this act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall be entitled to draw and shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

The change there was the addition of the words "and presumptions". In 1948 a further change was made, and section 63 of the 1948 statutes read as follows:

63. Notwithstanding anything in this act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

The change there was from "shall be entitled to draw" to "shall draw". Finally in 1952 another change was made. The section now is numbered 70 and it reads as follows:

70. Notwithstanding anything in this act, on any application for pension the applicant is entitled to the benefit of the doubt, which means that it is not necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

The change there is the introduction of the words "is entitled to" instead of "shall be entitled to". I put these four versions on

the record for the benefit of those who are interested in this problem to show the effort that has been made from 1930 to 1952 to amend the benefit of the doubt clause so that it will be more suitable in the circumstances in which the board of pension commissioners has to apply it. My judgment is that no matter how frequently we amend the clause the question will still be determined on the basis of interpretation, and that is precisely what General Currie said in 1930. That is how it is applied.

All that I can say further in regard to this matter is that from the number of members who have spoken about the benefit of the doubt clause and from the interest that has been shown in the application of that clause the pension commissioners may reasonably reach the conclusion that parliament is seriously interested in—what shall I say—a generous application of the benefit of the doubt clause. In the ten years that I have been here I have heard no complaint about the pension commission being overgenerous in granting money from the treasury to applicants for pension, and I think they have been very sound in that regard. We are not asking them to lower the barriers and let anybody in. Bona fide cases, as they have considered them in the past, should be the ones on which the board will finally adjudicate, but in these bona fide cases where men have actually served and have suffered from their service I think it is the opinion of parliament that the benefit of the doubt clause should apply.

As some members have said, it certainly should apply in the case of the older world war I veterans. Many of these men, because of an independence of character that cynical people do not sometimes recognize, have refused over the years to accept a pension or to report for pension purposes and now that they are in their 70's they are beginning to find that it might have been wiser to report for examination in days gone by.

A very close friend of mine who has since died comes to my mind. He was a 30 per cent pensioner and should have been an 80 per cent pensioner all his life but he never gave up during the course of his experience from 1917 until just two or three years ago. He was granted an 80 per cent pension when he finally appeared at an advanced age before a board of examiners. He was typical of many men who served overseas in the first world war, men who simply would not admit that they needed assistance from anyone. These older veterans of the first world war cannot produce documents. There were no filing cabinets available on the field of action during the first world war, and I think it is the feeling of the committee that those men who cannot produce evidence should have the benefit of the doubt. I say this, bearing in mind these two cases which were brought before the commission in 1930.

I argued this matter in the House of Commons in 1953, 1954 and before the estimates committee in 1955. I have argued at different times that the benefit of the doubt should be applied to first world war veterans who suffered from the effects of gas. Many men who suffered gas attacks in the first world war ended up in the hospital. Others got as far as the dressing station and were returned to their units, while still others did not report at all. Who is to say that years later the effects of this poison gas do not seriously destroy their physical functions? Medical opinion may say that there are no after effects of poison gas. Unless medical opinion will quite flatly state that, then I used to argue, and I would be inclined to argue now, that the pension commission should give the benefit of the doubt to a man who could show, through the action in which his regiment was engaged or through affidavits from his companions that he was subjected to the effects of poison gas.

This is just another example that relates to veterans of the first world war. As time goes on I think there will be less trouble with second world war veterans because the records have been much more adequately kept. The hon. member for Greenwood will recall that when he returned in 1918 or 1919, I suppose, like the rest of us, all he had to say was that he was A-1 and he could get on board ship. If he did not say he was A-1 he had to stay in England or France until further notice. This was the easy way, I think, of getting discharged in 1919. In 1946 it was not nearly as easy. You had to go through a very stiff medical board before you were released, so I think we will have less trouble in the future with the veterans of the second world war than we have had with those in the earlier conflict whose records were not complete.

In conclusion, Mr. Chairman I would just say that the veterans of Canada should be pleased at the interest the committee has taken in this problem during the last two days. I believe the veterans of Canada are well represented here on both sides of the house. There has been a serious interest in this measure, and we have not engaged in more than just a mild flurry of political interchange. I would have loved to have taken part in one exchange that occurred a while ago, but I thought I would abstain and save it for some other occasion because we are not in a controversial field when we are dealing with veterans problems. I feel that all of us here, no matter what party

we represent, have an interest in veterans. We recognize what they have done and the service that they have given to their country.

I feel it was a privilege to serve. This is not said very often by veterans, but now I am getting to an age where I think perhaps I can say some of these things. It is a privilege to serve. Many men who would have liked to have served were denied that privilege. I think veterans should recognize that fact and consider it a real privilege to have been physically fit and able to serve their country in time of distress. Nobody would think now of glorifying war or anything of that nature. We hope that our efforts during this twentieth century will result in permanent peace. At the same time we have to stand ready to cope with whatever perils may confront us in the future.

These men whom we have been considering during the last few days, the disability pensioners, the men who actually suffered, are the ones who have set the example for young Canada to follow. May we not forget them or their dependents during the course of their lives. They gave in the service of their country, and it is up to the country to play its part now. The Pension Act which we are amending will in part, and only in part, repay to our disability pensioners the debt that Canada owes them.

Mr. Carter: Mr. Chairman, I am not seeking to prolong the debate. I merely rise to express my thanks to the minister for the statement he has just made. I am grateful to him for the attitude which he has displayed toward the veteran, but in particular I want to express my appreciation for the statement which he made with respect to the veterans of Newfoundland, the forestry veterans, and the special problems that we have brought before him during this debate.

At the same time, I should like to express my personal regret that at this resolution stage preceding the introduction of the bill the two members from Newfoundland who sit with the government have not intervened in support of the representations which were made. We hope that they will do so on another occasion.

Resolution reported, and concurred in.

Mr. Churchill thereupon moved for leave to introduce Bill No. C-67, to amend the Pension Act.

Motion agreed to and bill read the first time.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

The Chairman: Citizenship and immigration, vote No. 47—

Mr. Pickersgill: I wonder if I could rise on a point of order, Mr. Chairman, not in any contentious spirit at all. I should like to make exactly the same suggestion as I made last year. I wonder if the minister would be agreeable to having the administration item stood over until the end of the consideration of her estimates, on the understanding that no general debate would be resumed on the various branches of the department under the departmental administration item. It seems to me that during the last two years this course has made for more orderly debate.

If I may go further, I would express a preference and our preference would be to start with item No. 51, the immigration branch. We feel the greater part of the debate will be on that item and that course will probably reduce the debate on the citizenship items.

Mrs. Fairclough: I am quite agreeable to that. However, I believe we got into a rather confusing situation last year, if my memory serves me well. We could not decide whether or not the departmental administration item should stand until the conclusion of the consideration of the Indian affairs branch. However, I would suggest that we start with items 51, 52, 53 and 54, then take items 48, 49 and 50 and then take item 47 because there is an administrative item also under Indian affairs branch. I would suggest that procedure if it meets with the approval of the committee.

Mr. Pickersgill: That procedure would be quite agreeable to us.

The Chairman: Is it agreed that we proceed as indicated by the minister?

Some hon. Members: Agreed.

Immigration branch—

51. Administration of the Immigration Act, $1,388,640.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Chairman, it is only eight months since the debate took place on my department's estimates for the fiscal year 1960-61. At that time I reviewed and explained in some detail the attitude and general policy of this government, so far as immigration is concerned. The report on my remarks at that time will be found commencing on page 4711 of *Hansard* for June 9, 1960. The outline of policy which I presented at that time is still valid and I do not think that I need to take the time of the committee by repeating now what I said on that occasion. I shall therefore limit my remarks to a few brief comments on the most

significant developments in the immigration field during the period which has elapsed since we last discussed these estimates.

The final reports for 1960 show that the total of immigrants admitted to Canada during the calendar year was 104,111. This figure shows very little change from the previous year, 1959, when 106,928 immigrants came forward. During the discussion of estimates in June last I indicated that it was then my expectation that the numbers coming forward in 1960 would be slightly in excess of those for the previous year. On a month to month basis the actual number of immigrants coming forward during 1960 was slightly ahead of 1959 up to the end of September. From that point on the figures took a downward turn, owing in part to the prevalence of buoyant economic and employment conditions in the European countries from which we draw most of our immigrants; and also in part to the fact that many of the sponsors in Canada, faced with uncertainty as to their own employment situation in Canada during the winter months, were less inclined to press forward with their applications to bring forward their relatives from overseas. This situation is normal and understandable in view of the difficulty economic circumstances through which we are now passing in this country, contrasted with the usual economic and employment opportunities reported from so many of the countries of Europe.

Despite the over-all slight decrease in the total movement of immigrants to Canada, we experienced in 1960 in certain sectors small gains, which are gratifying and give encouragement for the future. There was a slight upturn during 1960 in the movements from the United Kingdom, the Netherlands and Germany. Traditionally we look to the United Kingdom to supply a larger number of immigrants annually than we usually receive from any other country; and during 1960 the position of the United Kingdom was very largely, though not completely, restored to its accustomed position in first place among the countries of origin of our immigrant population. Actually the final totals for the year show that 20,853 British immigrants came to Canada in 1960 which was an increase of approximately 1,500 over 1959, whereas 21,308 Italian immigrants were admitted—they were the second group—with the Italian movement slipping past the British total by a small margin during the final month of 1960.

The most noteworthy decreases were in the movement of Italian and Chinese immigrants, the last mentioned decline being undoubtedly the result of a sharp falling off in the number of applications for admission, which in turn was probably a consequence of the investigation into illegal Chinese immigration, which was actively under way during most of 1960. Other small but encouraging increases took place in the movements from Austria, Finland, France, Portugal and Yugoslavia. With one or two exceptions, there is probably nothing particularly significant about these individual fluctuations, except to show that there is a continuing interest in the possibilities of continued emigration to Canada among the nationals of many countries, and that we continue to be in a position where we can encourage and stimulate suitable increases in these movements when economic and other circumstances justify.

I am sure that there will be general agreement with the proposition that Canada should continue to maintain its position over the years as a country which welcomes considerable numbers of suitable immigrants to its shores and I am personally satisfied that, even in the face of formidable economic difficulties, we have succeeded in maintaining our position in this regard during 1960.

I think it is important for us to keep in mind in this connection that, by maintaining a suitable flow of immigrants to Canada, we not only provide better economic opportunities for these immigrants themselves, but we also add to the economic productivity, the employment opportunities and the national wealth of Canada as a whole.

A great deal of emphasis has been placed in recent months on the question of employment and unemployment, and concern has been expressed that we should not develop a situation in Canada which through large scale immigration increases the difficulties of providing employment for those already in Canada. This is a legitimate concern but there are other aspects to this question which need to be taken into account if the situation is to be viewed in the proper perspective.

It is, for example, significant to note that of the 104,000 persons who came to Canada as immigrants in 1960 almost half were persons, chiefly wives and other dependants, who were not destined to the labour force. Over 8,000 of the 53,000 immigrants destined to the labour force were in the managerial and professional categories. Large numbers of the others were in the clerical, commercial, service and agricultural fields, with a sharp decline in the labourer classification, most of whom, of course, came forward as close relatives of persons already in Canada and not because of their selection on any occupational basis.

More significant still, we brought forward in 1960, 1,583 newcomers who established themselves in their own businesses and provided employment for 6,189 individuals. The value of the businesses established by these newcomers is known to be in excess of $18½

million and down payments were made in connection with these businesses in excess of $9½ million.

So far as agriculture is concerned, reports were received in 1960 of some 647 newcomers who had bought farms of their own, while 101 had rented agricultural land. Some 786 immigrant owners or operators became established in this manner and the total number of persons employed in these enterprises numbered 1,072. The value of the agricultural land involved amounted to $11.7 million and down payments on these purchases amounted to more than $4½ million.

From what I have just said, Mr. Chairman, it will be evident that the immigrants who have come to Canada continue to show the initiative, industry and enterprise which enlarge and increase the employment opportunities, productive capacities and national wealth of this country.

What I have said with respect to our activities in this field during 1960 is, of course, only a continuation of what has been the continuing objective in the field of immigration over a long period of years. For example, in the past ten years 6,000 businesses have been established and 5,400 farms purchased by post-war newcomers to Canada. The value of these farms and businesses amounts to $140 million. It is conservatively estimated that they have provided employment for 35,000 persons.

It is well known that most immigrants are willing to work hard and sacrifice much in order to establish themselves securely in Canada. This is borne out by figures which indicate that they paid $69 million, or almost half the value of their businesses and farms, in cash down payments. This would indicate that not only do some immigrants—for example, United States citizens—bring substantial savings with them to Canada but also that immigrants are hard savers.

There has been a very marked upswing in the number of immigrants establishing businesses in the past two or three years. Roughly one quarter of the businesses established during the last ten years were bought in 1960.

There are certain patterns emerging from the statistics for business and farm settlements. In the business field just over 40 per cent of the settlements have been in Ontario, 30 per cent in British Columbia and 20 per cent in Quebec. Germans have established the largest number of businesses, followed by Dutch, British and Italians. The average immigrant makes his purchase from three to six years after his arrival in Canada.

In agriculture just over 50 per cent of the immigrant farmers favoured Ontario. Next popular are British Columbia and Quebec. The average farmer spends five years working for someone else before buying his own property. Out of nearly 7,000 farms bought by immigrants over the last ten years, nearly 4,000 were in Ontario, just over 1,000 in British Columbia and 600 in Quebec. Dutch people bought two thirds of the farms and have brought experience, skill and new techniques to Canadian agriculture. The Canadian economy has been widened and strengthened by the influx of these new businessmen and farmers.

I should like now to make a brief reference to one of the special features of our activities in the immigration field during 1960, namely the special movements connected with world refugee year. During world refugee year, which officially ended on June 30, 1960, there was a most heartening response on the part of community groups, private and church organizations, and governments generally, to the special appeal launched under the leadership of the United Nations high commissioner for refugees. These efforts, many of them of a special nature, have continued throughout the period following the close of world refugee year, and the special facilities and arrangements made by the government through the immigration branch to encourage and foster this nation-wide response have been continued up to the present time and are being continued in suitable fashion.

During the 18 month period from the beginning of world refugee year to the end of 1960 more than 4,500 individuals were admitted to Canada under special refugee arrangements. The most notable feature of these arrangements was, of course, the special movements of tubercular refugees. The first of these movements, consisting of 100 selected t.b. cases, together with their dependents, entered Canada in the latter part of 1959 and the early part of 1960. A second movement, consisting of slightly more than 100 tubercular refugees and their dependents, came forward to Canada in the summer months of July and August.

Here I must pay tribute to the co-operation and help extended to the government by the various provincial governments and health departments throughout the country. These governments assumed the responsibility for the health and hospital care of the individuals brought forward and it is most reassuring to note that so far as the first two movements are concerned, well over two thirds of the t.b. refugees themselves had completed their active treatment and been discharged from hospital before the end of 1960. Only a relatively small number continued to require institutional care as of December 31 last.

In consequence of these most encouraging results the government has recently announced, with the co-operation and consent of the provinces concerned, that it is prepared to admit a third group of tubercular refugees, together with their dependents, under the special arrangements which were established for the previous movements. The selection of this third group is now under way and it is expected that the movement will have been completed before the end of March, 1961.

I should like finally to say a word about the Immigration Act itself. It will be recalled that the speech from the throne referred to the expectation that a revised Immigration Act would be laid before parliament for consideration. Inquiries have been made from time to time as to when a draft bill is likely to be brought down. No one is more concerned about this than I am, and every effort has been directed toward the achievement of the desired objective of a full and complete revision of the act; but I am afraid there is very little I can add at this time to what I have said on previous occasions in reply to questions about the timing of this matter.

It will be appreciated, I am sure, that the timing of the presentation of any draft bill for consideration depends on a great number of factors which I am not in a position to predict at the moment. Chief among these is the general timetable for the business of the house and the progress of the government's legislative program as a whole.

Representations and inquiries have also been received in recent months from a number of important national organizations, notably the Canadian Welfare Council, the Canadian Chamber of Commerce, the Canadian Manufacturers' Association and the Canadian Labour Congress. Some of the representations received urged that more time be taken to complete the revision of the legislation and to make it possible for them to undertake a more complete and thorough study of the issues involved.

In connection I should like to repeat the assurances which I gave on this matter during the discussion of our estimates at the last session. The fullest opportunity will be given to all interested organizations to present their views on the general questions relating to immigration policy, and also on the form and content of the draft legislation itself.

The government will be only too glad to receive whatever help and advice these important and responsible organizations can give in order to ensure that the form and content of the legislation, when it is finally passed by parliament, will be as satisfactory as it is humanly possible to make it.

[Mrs. Fairclough.]

Mr. Crestohl: Mr. Chairman, like all other members of this house I was certainly very pleased to hear the report of the minister, especially in reference to the activities of the department and the government with respect to world refugee year. Of course, when the announcement was first made in the house it was received and acclaimed as indeed being an effort by the department to deal with the problems with what we like to refer to as the humane touch; the human touch, in fact. We certainly greet that with much pleasure and we are very glad to note that an announcement will be made that another group will be admitted very shortly.

Of course, dealing with hard core cases of immigrants is always a problem and the country is aware of it. It is certainly encouraging that the first effort has turned out very successfully, and this certainly augurs well for the treatment of further hard core cases whenever the humane touch requires it.

On the other hand, I was rather disappointed that the minister's report to the house seemed to be one purely of statistics. It was a statistical report as to how many came in from various places. Perhaps such a report should be made to the house in a statistical form, although we can get this information in the printed reports that reach our desks from the various departments. I had hoped that the minister would put a little of that humaneness into her report which the country had hoped would be ever present when she was summoned to that portfolio. The statistics she gave to the house, however, are completely devoid, apart from the question of world refugee year, of the humane touch which is required in dealing with human beings.

Mr. Grafftey: You could not have been listening to the speech.

Mr. Crestohl: I would like to say to the hon. member for Brome—

Mr. Grafftey: Brome-Missisquoi.

Mr. Crestohl: —Brome-Missisquoi, who has a reputation for being very erudite, that he should certainly know and remember the old adage that children should be seen and not heard, unless they are very wet; and the hon. member is very wet.

Mr. Grafftey: That is very smart; that is quite funny.

An hon. Member: He will be here long after you have gone.

Mr. Crestohl: That, too, remains to be seen. I do not know who undertakes to prophesy. You know the old saying "only fools prophesy". I am wondering whether members of the government are concerned because I

said that the minister—I may have touched her sensitivities, or theirs; I am sure I have not touched hers—

Some hon. Members: Oh.

Mr. Crestohl: I did not crown her with that glory which she probably expected to receive, because the country had hoped that the Minister of Citizenship and Immigration, as a woman, would bring a little more of that understanding, that family understanding, that motherly understanding, which I found was completely absent from her report.

The hon. lady's reference to the revision of the act was expected, but I am again disturbed by the fact that the minister has served notice that this revision may not come as soon as was expected. The country has been clamouring continuously for a revision of this act, and I think the time has come. The minister would certainly disappoint not only parliament but the whole country if a revision of the act is not brought down. It was mentioned on several occasions by the hon. lady during the last session. It was promised in the speech from the throne. Certainly we are expecting it. The minister has said that other organizations and people will have an opportunity to be heard, and that is true, but I am hoping that the hon. lady will also see to it that a parliamentary committee is appointed to study the proposed draft bill and that such a committee will be empowered to hear witnesses and receive representations from the various organizations in the country which might be interested.

All this certainly makes it clear that the minister and the government have not yet adopted a consistent policy with regard to immigration. I have been in rather close touch with immigration activities and it has been interesting to observe the minister's constant shifting from one position to another. Her juggling, her almost mercury-like policy with regard to immigration shows she is unable to keep her course steady in any shape, form or manner. It is a vacillating policy. The hon. lady sometimes takes one position and then, by order in council, she shifts that position and annuls the position she had taken.

During the past 12 months the minister has claimed she has been misquoted with regard to statements she is deemed to have made as to policy. She has blamed the press. She has blamed officials in her department, who are completely blameless, for errors in understanding her policy. She has been blaming others right and left.

Mrs. Fairclough: Mr. Chairman, I have listened in patience to this, and I expect the hon. member to criticize me, but if he says I have criticized members of my department I really must take exception to that remark.

Mr. Crestohl: I do not know whether to call it criticism but at one time the minister did make a statement that her policy was misunderstood because of officials in her department.

Mrs. Fairclough: I never did.

Mr. Crestohl: I am speaking, now, of the Italian problem, the problem of Italian immigration. There was a very delicate position there, and I think the hon. lady said—I do not remember the language—that someone in her department with Liberal leanings might have sabotaged her at that time. I cannot recall her precise words, but I shall put the exact item on record if necessary. That is what I was referring to at the time.

Just let us see how these things add up and what the country thinks about it. I am reading from the Montreal *Star* of April 28, 1959. This is an article with a very interesting heading: "Mrs. Fairclough's Immigration Fumble". It reads, in part:

> The government and Mrs. Fairclough have acquired a great big black eye over that fiasco about limiting immigration of the "sponsored" category. Mrs. Fairclough was forced into the rather galling position of backing down in public, although perhaps the decision to do so was dictated to her from on high. And Mrs. Fairclough did not cover her retreat in glory when she claimed that the limiting order was rescinded because "the propagandists of the Liberal party have created an atmosphere of distrust and apprehension in which it is impossible to work."

Mr. Lambert: That is pure punditry based on conjecture.

Mr. Crestohl: I am reading from an editorial which appeared in a very prominent paper in this country. It continues:

> To the Italian community here and to many others, the obvious intent was a drastic curtailment of Italian immigration.

Of course, the minister faced a problem there and she quickly had to retrace her steps, which is not an easy thing to do. Some newspapers have said it was probably a very brave thing for the minister to have done. Let us see what the Toronto *Daily Star* said on April 23, 1959 under a big headline: "Mrs. Fairclough Retreats in Disorder":

> That was an amazing performance by Hon. Ellen Fairclough in announcing the withdrawal of the order in council banning immigration of relatives of some Canadian residents. It was good riddance of a bad order. But Mrs. Fairclough's petulant tone and attempt to throw a smokescreen over the government's retreat made her sound like a little girl who had lost a piece of candy.

The Chairman: May I suggest the hon. member call it six o'clock?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Crestohl: Mr. Chairman, when the committee rose at six o'clock I was talking about the vacillating government policy on immigration. Perhaps in modern language I could describe it in this way. The government seems to be playing its immigration policy by ear, meeting conditions as it sees them without having any fixed guide in its policy on immigration. If the government is playing it by ear I would consider it pitiable because the consequences are not reflected in any other tones than groans and anguish from heartaches and heartbreaks in preventing the linking together of broken families, and by increasing human sorrow. That is very clearly reflected in just a few headlines that I should like to read into the record. In the Toronto *Telegram* of April 3 we find the following:

Immigrant family curb aimed at limiting influx of Italians.

An hon. Member: What year?

Mr. Crestohl: The year 1959. In the *Globe and Mail* of April 3, 1959, we find the following:

New curbs put on immigration for relatives.

In the issue of April 2, 1959, we find the following:

New immigration bar shocks city newcomers.

Again, the *Globe and Mail* of April 6, 1959:

Skill before kinship new immigration rule.

The Toronto *Daily Star,* April 3, 1959:

Sixty three thousand Italians hit by immigration cut.

Again, we have the *Globe and Mail* of June 23, 1960, with a smiling photograph of the minister with the following head note:

She deals in human beings counted in dry statistics.

This, Mr. Chairman, is how the country has been accepting this curb that is being placed on the linking together of families. As I said before, when a motherly woman was assigned to the portfolio it was generally hoped that she would bring to her office an understanding family touch and with benevolence she would help to unite separated families. In fact, when she first took office she declared that that would be one of her main objectives. We were hopeful, Mr. Chairman, but the hopeful were soon disillusioned when with almost Draconian rigidity she enforced the complex and confusing regulations and, unlike ministers before her, she did not often temper mercy with justice, as it was hoped she would.

[The Chairman.]

During her almost four years in office the record shows that she did very little to modify the procedure to join families on the basis of relationship, age, or country of origin. I feel that after almost four years in office the minister should have something more to show in that regard. And now something new has been presented to us. Recently, a new requirement was apparently set up. This was announced by the minister in Guelph only a short while ago when she spoke of immigrants with skills. To make certain that I shall not misquote her, Mr. Chairman, I have her speech and I shall read from page 8 of the text that was provided. This is what she said:

We are doing a great disservice both to the immigrant and to our own community, when we bring to this country people who lack any kind of craft, skill or profession, who have no technical or other form of training suited to the demands of an increasing technical world.

If I were asked what I think is a real test of what makes a desirable immigrant, I think I should have to answer that it is a matter of what he has to contribute to Canadian progress and the strength and welfare of the Canadian community. At first blush that may sound like a selfish yardstick, but I am sure that if you give it a little careful thought you will agree that it is the only honest and sensible one.

No one will disagree very much with that, but will the minister tell the committee—and she has left the country unaware of this fact—whether this is now the top priority of immigration policy, or whether this is in addition to all the other complex problems which exist in the regulations? Does one replace the others, or are they to be dealt with together? In other words, must a person who now wants to immigrate to Canada fall into one of those complicated categories and in addition also be a skilled person?

I should like to illustrate it in another way. For example, can a Canadian citizen bring his father to Canada if his father is not a skilled worker, or can he bring his father to Canada only if he is a skilled worker? I hope the minister will clarify this. Surely it would be harsh to believe that the minister intends to place the importance or the emphasis on skills in preference to close relationship of relatives. Of course, I am of the opinion that it will simply complicate the situation.

Hon. members should be aware in detail of the complications which now exist in our immigration regulations. I have mentioned them on previous occasions and I should like to repeat them now. It is really an academic study so that all hon. members can understand and wrestle with the problem. The act sets out various types of citizens, or gives to different citizens different rights and privileges. I will give a few examples. Citizen A

can bring certain relatives to Canada. Citizen B cannot bring people of the same relationship to Canada simply because they happen to live in another country, and when I speak of another country I am excluding countries behind the iron curtain. I am now speaking of other European or mid-eastern countries. Here is another illustration. Citizen A can bring to Canada certain relatives under certain conditions. Citizen B, who is equally a citizen, cannot bring to Canada people having the same relationship under any conditions. That too results from the fact that his relatives live in another country.

Here is another illustration. Citizen A can bring his parents to Canada regardless of their age. Citizen B, who is equal so far as citizenship is concerned, can only bring his parents to Canada if his father is over 65 and his mother is over 60. That too stems from the fact that they live in another country. Another illustration: Citizen A can bring a brother or a sister to Canada. Citizen B cannot bring a brother or sister simply because they happen to live in another country. Citizen A can bring his fiancée while Citizen B does not have the right to bring his fiancée to this country.

These are only some examples. There are many more similar complications and computations that one must conform with before one can really follow and understand a straightforward policy. Why should all citizens not have the same rights to bring their fathers or mothers to this country? Whether one lives in one country and another lives in another country, they are still fathers and mothers. Why should one citizen not be able to bring his father or mother to this country if they are not of a certain age? Are they different? Is their love or affection different? No.

All these, I say, are matters which require sound and careful study and analysis, and that is why the act should be revised.

Mrs. Fairclough: While my hon. friend is pausing may I ask him a question?

Mr. Crestohl: If I will not lose any of the time allotted to me by allowing the question.

Mrs. Fairclough: As I understand the rules, you only have to sit down and you can get up and speak for another 30 minutes. Would my hon. friend tell me who was the instigator of these regulations against which he is railing and is it not true that they were instituted by the government of which he was a supporter until 1957?

Mr. Crestohl: I was hoping, in fact I was expecting that the minister would ask that question. We once discussed that point on a previous occasion. I said then that some genius concocted all these combinations and computations which the minister certainly did not think were very nice at that time. However, she has been in office for four years and, having these complaints and knowing about them she is the only one who has been in a position to do anything about them. I have not given credit to whoever that genius was in years gone by. I do not necessarily have to accept or agree with what was done at that time because I am pleased to say that we on this side have no fear of saying that we disagree with a colleague. It may have been a good policy then and perhaps it was the work of a genius. He may have shown signs of genius at that time but the policy is outdated and outmoded. I blame the minister directly because she has been in a position to do something about the matter. I will put the argument this way. Since the minister has done nothing about it, perhaps she agrees with the genius who introduced these regulations.

Mr. Woolliams: I wonder whether the hon. member would answer a question.

Mr. Crestohl: I will only answer a question, Mr. Chairman, if I will be allowed 30 minutes from the time I sit down.

Mr. Woolliams: I was wondering, Mr. Chairman—

The Chairman: Order. I must draw the attention of hon. members to the fact that unless there is unanimous consent it is not possible to take into consideration the time used up by questions. Therefore, if the hon. member does not yield the floor, I will ask the hon. member for Bow River to resume his seat.

Mr. Crestohl: All right, ask the question.

Mr. Woolliams: Now that the hon. member has agreed to answer my question, I wonder whether he would identify this genius. Is it the hon. member for Bonavista-Twillingate?

Mr. Crestohl: I have not identified him. If the hon. member wants to do it, if he thinks he knows who it was, let him do it. I think the minister did it last year on one occasion. It was admitted. Nobody denied it. We recognize genius when we see it.

An hon. Member: In the Liberal party?

Mr. Crestohl: Indeed, only in the Liberal party. I should like to draw something to the attention of the minister now that may surprise her a little. I refer to the question of a new policy. Is the minister aware, does she know, did she ever hear, do hon. members of the Conservative party know or are they aware of the immigration credo of their

own party laid down at a party convention? Let us see what that credo is. It is quite possible that very few of them have heard about it. I am now referring to Senate *Hansard* of April 4, 1960, page 498 and a speech made by a member of the other place. At that time this was said:

> The Progressive Conservative convention, I notice, adopted the following resolution:
>
> "Whereas a healthy and judicious immigration policy is necessary in order to provide a guaranteed market for Canada's vast natural resources and to reduce our vulnerability in the export market; whereas there are still thousands of refugees desirable as citizens who are not admissible to Canada under current immigration regulations; whereas this convention notes with satisfaction the efforts at the United Nations of Canada's minister of external affairs on behalf of refugees; that this national convention of the Progressive Conservative party recommend to the government—"

I ask members of the government to please note. I continue:

> "—that the immigration regulations be amended, to enlarge the categories of admissible immigrants; to redefine the term 'refugee' so as to widen and extend the qualifications for admissibility under this category; consider and if deemed advisable increase and extend the existing facilities and personnel for the processing of immigrants in foreign countries."

Here is a credo on immigration that was approved by the Conservative convention and I ask the minister this question. What has her department done to implement any one of these orders, so to speak, contained in this resolution?

Now these tenets have in no way been implemented. They are noble tenets. I believe this is a good policy for immigration, and that is the program of the Conservative party. What have they done to implement any one of these provisions? For example, the resolution says that it failed to amend the act to enlarge the categories of admissible immigrants. Here, hon. members will note, is an order from the party to enlarge the categories of admissible immigrants. Did the minister do that? Did she do anything in that direction? No, she did nothing.

Mrs. Fairclough: That is wrong.

Mr. Crestohl: The resolution calls for the definition of refugee to be redefined. Did the government redefine the meaning of the term "refugee" as instructed by its own convention? No, it did not.

Mrs. Fairclough: The answer is yes.

Mr. Crestohl: Oh, there has been a modification of it, but not a redefinition. I asked the minister on the floor of this house if she would define now what "refugee" meant and her answer was, what the high commissioner for refugees says is a refugee we will acknowledge. It has never been otherwise. There has been no change as she was instructed. The implications, as hon. members should know, are very wide if there were a redefinition of "refugee".

Mr. Matthews: Will the hon. member permit a question?

Mr. Crestohl: Certainly.

The Chairman: Before the hon. member puts his question, I would mention that the time of the hon. member has expired. If the committee is willing to give unanimous consent, he may continue.

Some hon. Members: Agreed.

Mr. Matthews: He is talking about the directions of a political convention to the government. I wonder if he would let the house know if the Liberals have put in their platform all the directions of the recent Liberal convention, and the resolutions that were passed there?

Mr. Crestohl: Is that not typical of hon. gentlemen shying away from their own responsibilities? They say that we did not do it and because the other fellow fails to do it, they should not do it. Surely the hon. gentleman who just asked the question knows as well as I do that the mere fact the other fellow does not do what he should do is no reason for me not to do it. I want to say that I know of nothing in the Liberal platform which will not be implemented as soon as the Liberal party has the power and authority to do so, which I hope will not be very long.

Then there is a third plank in the Conservative platform. This resolution instructs or authorizes the government to increase and extend the existing facilities and personnel for the processing of immigrants in foreign countries.

Mr. Ricard: From what are you reading?

Mr. Crestohl: From the very same document that I read before.

Mr. Ricard: What is it?

Mr. Crestohl: I will repeat it. Will the hon. gentleman please note it. It is a page out of the Senate *Hansard* for April 4, 1960, which is quite recent.

An hon. Member: From whose speech?

Mr. Crestohl: I think it was Senator Cairine Wilson. She was quoting a resolution right out of the records of the Conservative party. Surely hon. members opposite should know whether or not there is such a resolution.

Mr. Pickersgill: They do not know; they were never published.

Mr. Crestohl: Of course they were never published. They do not know, and it is obvious from their behaviour they do not know.

I should like to get to the third point. This is a direct instruction or authorization to the government and to the minister. She was authorized and instructed by her own party to extend the existing facilities and personnel for the processing of immigrants in foreign countries. Those of us who are in communication with immigrants constantly hear the government say, we have no facilities in that country. This may be so; it is quite possible. The government says, we cannot deal with this immigrant because we have no facilities for processing. Surely when instructions are given to remedy that situation the minister is in default and is failing to do her duty as minister of immigration when she does not remedy the situation. As a consequence, the whole country suffers.

I should like to point out too that I am one of those who believe in an active immigration policy. As the committee well knows I have been propagating that for the last 11 years. Like the minister herself, I believe that immigrants make jobs and immigrants do not take away jobs from Canadians. On a number of occasions the minister has very eloquently and very forcefully told the country that the immigrants who come to this country are a blessing. They create jobs; they create industry; they encourage work. I believe as the minister does. But what does the record show? The record shows a pitiful reduction in immigration in the last three or four years. In fact, we were told today that 104,000 immigrants came in during the past year. I have not in front of me the figures to indicate how many immigrants left Canada, but I feel sure if you were to strike a balance there would certainly not be a very great net gain for our country.

I have the feeling that if the government were to implement an immigration program—I know the minister is in some difficulty now. She is on the eve of revising the Immigration Act. I believe this is one of the finest things that the minister can do for her department, her officials and the country. I feel I have had some training in the law, but by no stretch of the imagination could I set down clearly what the policy of the immigration department is now. The officials of this department are eminently able, well experienced men, and desirous as they are of being of assistance they come up against confusion in this act which the minister should eliminate once and for all.

I am beginning to be sceptical of whether the minister is serious about revising the act. As I said, the revision was promised last year and it was promised in the speech from the throne. I hope the minister is not waiting until the end of the session to try to rush it through or, alternatively, to say that there is not sufficient time to do so. Tonight she did say that it will depend upon the business of the house as to whether we will be able to have the act revised. Everything will depend upon circumstances. I say to the minister that she will be delinquent in her responsibilities if she does not introduce a revision of this act, have a parliamentary committee appointed to study it and give that committee authority to summon witnesses and hear representations.

Surely the minister is aware of the fact that the country is clamouring for the overhaul of this act. I should like to quote from an article in the Montreal *Star* of January 4, 1960, which is headed, "Time for an Overhaul".

> Without delay, the Immigration Act should be reviewed and the operations of the immigration department surveyed. Either, if not both, is in need of liberalization. Arbitrary behaviour on the part of department personnel would lead one to think sometimes that they are constitutionally hostile to immigration. It is a question whether they should have the power of discretion they sometimes exereise.

I could quote any number of newspaper authorities who are urging the overhauling of the Immigration Act. As I said before, I think there should be an overhauling or revising of this act that would really place the entire policy into simple language, not complicated language, and would set it out clearly so that everybody with intelligence, would be able to understand it. If this were done it would relieve the country and it would certainly relieve the department. I speak for the officials of the department who I know are anxious to do their duty completely and thoroughly but who are sometimes hamstrung by the difficulty of understanding the language of the act.

The Chairman: Shall item 51 carry?

Some hon. Members: Carried.

Mr. Pickersgill: Mr. Chairman, I do not think it is seriously thought that the most important item in the estimates of the immigration branch would be carried without any reply by the hon. lady to the indictment made by the hon. member for Cartier, not merely of the current practice but of some of the regulations that have been in existence for quite some time and some of the practices that have been in existence for quite some time and which, in some cases, are anachronistic today. I may say that I was minister for about the same length of time or perhaps a little bit longer as the hon. lady has been in office. However, I changed the regulations

or caused them to be changed or persuaded my colleagues to have them changed four or five times during that period. I must say that my attitude has been a sort of mixture of feeling flattered that the hon. lady considered my regulations to be so good that she has not been able to change them at all significantly and of feeling that they ought in some respects to have been changed in order to meet changing conditions. That has been my attitude to them.

In extenuation of my own conduct may I say this, and I am not going to defend it more. Nearly all of the instances given by the hon. member for Cartier—and he would perhaps recall this if I went further—were cases in which liberalizations of the regulations were made and not cases in which restrictions were made. The hon. gentlemen did not point out that the reason that the parents of Canadian citizens can only be applied for when the father is over 65 years of age and the mother is over 60 years of age is that in those cases they are iron curtain countries and as long as the government sees fit—and this is not the fault of the immigration department; this was a decision that was made by the previous government and is presumably being carried on by the present government—and as long as the government feels that in the state of the world as it is at the present time it is necessary to have some security screen of immigrants and as long as it is impossible, as it is, to carry on security screening in countries behind the iron curtain it was felt that the highest considerations of the security of the state made it inadvisable to relax the regulations more than that.

Whether that is suitable to conditions in 1961, as we felt it was the only thing that it was proper to do at the time when I was minister, I should not like to express an offhand opinion. But that is the reason and the sole reason why there is a difference between, say, the parents of a Canadian citizen who happens to be living in a country behind the iron curtain and those who do not. I think perhaps that consideration ought to be put on the record.

I must say that it seems to me that the fundamental criticism that one could make at the present time of the state of our immigration to this country is this, and the hon. member for Cartier put his finger on it when, during his remarks he said he wondered whether there had been very much net gain in population in Canada in the last year or two from immigration. We do not have statistics, and I do not see any practicable way of collecting statistics on the number of people who leave Canada to settle permanently somewhere else unless we turn this country into a sort of police state, which is not something I would like to see. I would not like to see us starting to ask every Canadian or every resident of Canada who leaves Canada questions such as these; why are you leaving the country? Are you going to stay permanently or are you just going down to Florida? Or things of that sort.

In the first place, I think it would slow up border crossings to such a degree that we would be obliged to have an army of immigration officers instead of the number we now have. I must say that I am glad that we live in a country in which we can have a fairly open border and I am not a bit in favour of changing that situation just for the sake of collecting statistics.

But there is something we can tell from the statistics of immigration into the United States, into the United Kingdom and into one or two other countries that keep records, those being the principal ones. We know that a regrettably large number of residents of Canada have left this country in the last two or three years and that there has been a good deal of comment about that in the press. That has been particularly true in the case of the United Kingdom and Germany in the last couple of years.

But the root cause of that situation, of course, is not any failure of immigration policy or of immigration administration. The root causes of that situation is the unemployment situation with which we are faced. I quite agree with the hon. member for Cartier that if there were some way of keeping people alive indefinitely until they could get jobs it would be desirable to keep up a flow of immigration even when it was difficult to get employment. However, I administered the department and I must say that I do not believe the Canadian people would support such a policy. I do not believe it is a practical policy to encourage people to come to Canada, when those people have no employment and have no real chance of getting employment. From experience that I have had and from studying the experience that the government has had since that time I know that nothing does more to spoil the prospects of future immigration than to have a considerable number of people come to this country with high hopes of getting jobs, spend two or three months here without getting a job and then go back and inevitably blame this country for their experience. As is commonly known, people do not like to blame themselves. I do not think there is any single thing that did so much to discourage British immigration, and will continue to discourage it just as long as the present government is in office, as the brutal cancellation of the Arrow contract and all the consequences it had on the destruction of

that complex which had been built up in the Toronto area of industrial research and development which was just by the stroke of a pen in a fit of irritation by the Prime Minister ended on a Friday when these people were brutally thrown out of work.

Mr. Harkness: That is absolutely ridiculous.

Mr. Pickersgill: Yes, it was absolutely ridiculous and it was utterly irresponsible.

Mr. Harkness: The hon. member's remarks are utterly ridiculous and irresponsible.

Mr. Pickersgill: No better comment could be made upon it than that which has just been made by the Minister of National Defence.

Mr. Harkness: The hon. member's remarks are ridiculous and irresponsible.

Mr. Pickersgill: That comment was typical of the hon. gentleman who usually speaks first and thinks afterward, if at all.

Mr. Harkness: Abuse will get the hon. gentleman nowhere.

Mr. Pickersgill: I say that as a practical matter it does seem to me that there cannot be any permanently productive immigration, in the sense of bringing people here who will stay here, who will be contented and who will add to the upbuilding of the country, unless we can maintain the growth of the country, which is not being done at the present time. That is the basic problem, and it is not something that can be blamed on the Minister of Citizenship and Immigration, much less on the department. Having said that, there have been one or two other—

An hon. Member: Tell us something about second-class babies.

Mr. Pickersgill: The hon. gentleman may be a better authority on that subject than I would be. If the child is the father of the man, I would not be surprised if he is.

There is one aspect—

An hon. Member: Are you talking about the Horners?

Mr. Pickersgill: There is one aspect of this subject about which I asked a question early in the session and received no answer. I feel it ought to be pursued because we have been told by a distinguished member of the government, a fairly recent recruit to the government, that when this government came into office there was a profound change in the immigration policy of this country. I do not want to be unfair to the hon. gentleman, the Secretary of State—who is not in the committee at the moment, I regret to say—but I want to read a press dispatch and I intend to read it first from the Toronto *Star* and then from *La Presse*, because I feel we should have both on the record as here were two reputable newspapermen writing in newspapers in both languages, reporting the same meeting and reporting it in virtually identical terms.

I think we are entitled to some serious explanation of this from the Secretary of State and also from the Minister of Citizenship and Immigration. The Secretary of State undertook in a by-election campaign in the county of Labelle last October to say this. This appears in the Toronto *Star* of October 18, 1960, and I read the part that is relevant:

> Mr. Dorion maintained stepped-up immigration under the Liberals, particularly the 240,000 admitted in 1956—

The 240,000 admitted in 1956; of course, the Liberals were to blame for that.

> —when there were 292,000 unemployed,—

I do not know where the hon. gentleman got that figure. He certainly did not get it from the bureau of statistics:

> —was largely responsible for current unemployment.

That is a remarkable statement; but after all that is just a matter of opinion. I do not hold the government collectively responsible for that extraordinary opinion expressed by the Secretary of State. I go on:

> He accused the Liberals of trying to "anglicize" French-Canada by bringing over more immigrants from the British Isles than from any other European country.

I ask the minister whether she thinks that is a very helpful way for any minister of the crown to be talking in any part of this country. Then he went on, and this is in quotation marks:

> "They tried to eliminate the French-Canadians for the benefit of the English," he said.

Then he said this, and this is the part that the minister should answer for:

> Prime Minister Diefenbaker, he added, had promptly closed the door on this immigration—

That is the English immigration:

> —and was trying to offset the Liberal "anglicization" by fostering immigration from Italy.

That is a statement made by a minister of the crown, as a member of the government, in support of an unsuccessful candidate for election to this house, regarding what the Prime Minister had done and what the hon. lady is administering. I just repeat it because—

Mrs. Fairclough: Mr. Chairman, I have listened with some amazement to my hon. friend, but it is possible that he was not in the house when the hon. member for Bellechasse disclaimed this and, as a matter of fact, stated—

Mr. Pickersgill: As a matter of fact, Mr. Chairman, I do not intend to yield the floor. I was in the house when the hon. member for Bellechasse was very careful not to deny this. He did not deny it at all. If the hon. lady can find any denial of these words, she understands the English language and the French language better than I do, because the hon. gentleman did not deny it. He evaded the question and gave a long quotation from something Mr. Harris had said, which had nothing to do with the case at all; but he did not deny this.

It would be very hard for him to deny it, for two reasons; because it appeared not only in the Toronto *Star* but in practically the same language in *La Presse*, and there are at least two or three members of this house who were present on the occasion on which the hon. gentleman uttered these remarks and heard them.

An hon. Member: You were not there.

Mr. Pickersgill: I was not there, I never said I was.

Mr. Churchill: On a point of order, Mr. Chairman. I have in front of me *Hansard* for November 18, 1960 and the English translation of the remarks made by the Secretary of State, read as follows:

Mr. Speaker, fortunately, I have here the exact text of my statement, and I find that the reports—

Mr. Bourget: He did not have a text.

Mr. Churchill: If I may continue, Mr. Chairman:

—appearing in some newspapers are substantially at variance with what I said.

Mr. Forgie: "Substantially", that is the word.

Mr. Churchill: The minister's statement in this house with regard to the inaccuracy of the statement appearing in the press is to be accepted.

Mr. Pickersgill: I have no doubt that reports in the newspapers were substantially at variance with the hon. gentleman's notes, but that has nothing to do with the case. Either the hon. gentleman denied using those words, or he did not; and there is no denial there of the words I have read. All the hon. gentleman did was say that some of the press reports were at variance with the notes he had. He did not say they were at variance with the things he said; he said they were at variance with the notes he had. We know he is not the only member of the treasury benches who finds that the things reported in the newspapers are at variance with the notes they have.

[Mrs. Fairclough.]

Mr. Churchill: On a point of order, Mr. Chairman; there is no mention of the notes that he had. He said:

—are substantially at variance with what I said.

Mr. Pickersgill: I accept that.

An hon. Member: Why did you not take it up when he was here?

Mr. Pickersgill: I did take it up when he was here. Why is he not here, incidentally, where he ought to be?

An hon. Member: Why weren't you here yesterday?

Mr. Drysdale: On a point of order, Mr. Chairman—

The Chairman: Order.

Mr. Pickersgill: Mr. Chairman, I am speaking on the point of order raised by the Minister of Veterans Affairs.

The Chairman: Order. I understand that the hon. member for Bonavista-Twillingate is speaking to the point of order raised by the house leader, and I cannot entertain more than one point of order at the same time.

Mr. Pickersgill: Precisely, Mr. Chairman, I say that the Secretary of State did not deny the express words I read. All he said was that some of the press reports were at variance with what he had said, as the hon. gentleman has just read. That may well be; but that is not a denial that the words I read were the words he uttered. And, of course, it happens that those words were heard by several members who are in this chamber at this present moment.

If the hon. gentleman wants to come into the house and say that he did not say those words, I shall be obliged, under the rule, to accept his word. But up to now he has not done that.

Mr. Drysdale: On a point of order, Mr. Chairman; I would like to have that clarified. The hon. member seems to be rambling a bit. The point of order I wish to raise is referred to by Beauchesne in paragraph 148 (3) where it is stated:

Reference to debates of the current session is discouraged even if such reference is not irrelevant, as it tends to reopen matters already decided.

Again subparagraph (2) of the same paragraph states:

It is irregular to reflect upon, argue against, or in any manner call in question, in debate, the past acts or proceedings of the house, on the obvious ground that, besides tending to revise discussion upon questions which have already been once decided—

And so on. I suggest this is what the hon. member has been doing. He has done it on two occasions. The first was in connection

with the Arrow, and this is the second occasion. The question was discussed in the house and decided, and I suggest we should act in accordance with this rule and try to get the hon. member back to order.

Mr. Pickersgill: It has never been recognized that questions asked on the orders of the day are previous debates. The purpose of asking questions on the orders of the day or placing them on the order paper is precisely in order to get material for use in debate. Therefore this is not reopening a matter previously debated. I am not aware that there has been any debate previously this session about the Arrow, though I know there was a debate in another session.

Mr. Drysdale: Further to that point of order, since the hon. member has rambled on I would refer him to paragraph 157 (6) which states:

> A member quoting a newspaper in debate was ruled out of order by the Deputy Speaker who said: "The rule is quite clear, that the quoting of a newspaper, an author or a book which reflects upon debate before the house, either directly or indirectly is entirely out of order, because members are here to give their own opinion and not to quote the opinion of others."

I suggest we ask the hon. member to carry on the debate instead of continuing to make the irrelevant observations he has been making.

Mr. Pickersgill: If the hon. member has finished reading from Beauchesne perhaps we could get back to the estimates of the Department of Citizenship and Immigration. I can go on to corroborate what I am saying from this dispatch of *La Presse* of the same date. Perhaps the house would be a little quieter, because it is more difficult for me to do this in a language which is not my habitual language. If I might have the attention of the house, I shall read what *La Presse* has to say:

(Translation):

> He said also that present unemployment is a heritage from the Liberals, because the former government admitted 240,000 immigrants in Canada in 1956, when we had 292,000 unemployed.
>
> Mr. Dorion said Mr. Diefenbaker closed the door on that immigration, adding that the Liberals "wanted, by this immigration, to eliminate the French Canadians to the benefit of the English", while . . .

(Text):

This is in quotation marks.

(Translation):

> ". . . while under Mr. Diefenbaker, we admitted more Italians to the detriment of English immigration."

(Text):

I say, is it not quite remarkable that reputable correspondents of two of the leading newspapers in this country, one in French and one in English, should have given the same account of this situation in almost exactly the same words? Would it not be remarkable if both of them had imagined these words and if those who were there and heard them had also imagined them? If that is what the Secretary of State—

Mr. Ricard: You are very brave to attack him when he is not here.

Mr. Pickersgill: Bring him here. I am not in the least concerned about that. Anyway I am not attacking him. The minister said the Prime Minister had changed the immigration policy, that he had stopped British immigration and increased Italian immigration to prevent the anglicization of our country which was being perpetrated by the Liberals and restore the balance. I asked the hon. lady a rhetorical question: is that true? But I am not going to press her for an answer because I know perfectly well it is not true.

An hon. Member: Then why did you bring it up?

Mr. Pickersgill: I will tell you why I brought it up. I did so because I think that kind of speech is a disgrace to this country. It is a disgrace for a minister of the crown to make this kind of cheap appeal and cheap misrepresentation calculated to promote disunity in other parts of Canada. I think it is an improper way to behave and when a performance of this kind comes to light it seems to me it should be denounced and a record of it should be kept as an example of what many hon. gentlemen opposite and their friends have done in this country ever since 1911, and the moment the Secretary of State appeared on that platform he began doing it all over again. I say we should stop this kind of talk about whether one kind of immigrant is better than another. The plain fact of the matter is that we know from our experience, having had immigrants from nearly every country in the world, that those immigrants from nearly every country in the world and their descendants have become good Canadians; just as good Canadians as the descendants of the original inhabitants of this country or the descendants of the French or the English. If we are going to have a united country the sooner we have a stop to that kind of thing the better. That is the only reason and the only excuse I have for bringing this up.

If the hon. member for Bellechasse, the Secretary of State, had, when I asked my question first, got up and said without equivocation that he had never made that statement I would have had to accept his answer and I would not have mentioned the subject again. But he did not say that. He used

words which were calculated to give that impression, but he did not say that because the hon. gentleman knew it would not have been correct if he had. That is why I raised this matter. I have no apology whatever to make for bringing up this question and I hope this will put a stop to that kind of speech by hon. gentlemen on the other side of the house.

Mrs. Fairclough: It had not been my intention to reply in any detail to the observations made by the hon. member for Cartier but since I have been challenged to do so by the hon. member for Bonavista-Twillingate perhaps I should say a few words.

The hon. member quoted from my speech in Guelph which was made available to him last week. I fail to understand why he cannot read what was written in that speech. He purported to tell this house that by saying Canada wanted skilled immigrants I had inferred that none but skilled workers would be admitted. As he very well knows, I denied that first press report and if he had read my speech he would have been able to ascertain for himself what the facts are. I did not say in my speech that relatives would not be admitted, and he should know that, too, if he had read the speech. I fail to understand the hon. member's motives in imputing to me statements other than those I did make.

In so far as his other remarks are concerned, when he accuses me of being inhuman and vacillating and, I think he said, playing the immigration policy by ear, I should like to say to him, that if by that he means that my ear is open to the pleas which are made to me he is right. I have pursued and tried to pursue a flexible policy in so far as immigration is concerned. I do not like the act; I have said so on many occasions, but I have also said that I am not going to bring into this house some half-baked instrument to take its place.

I might say that some of the organizations to which the hon. member belongs are amongst those who plead most frequently for special consideration and, as hon. members know, special consideration can only be given by order in council. I make no apology whatsoever for having used the instrument of order in council to accede to some of the heartbreaking pleas of some of my hon. friends own friends.

The hon. member for Bonavista-Twillingate referred to the fact that on a number of occasions he had altered the regulations—

Mr. Pickersgill: Or asked to have them altered.

Mrs. Fairclough: —or made some variation in their application, I take it. That has been done by this government also on a number of occasions. We are not operating under exactly the same terms as those which he left to us when he left this office. I could name a number of regulations which have been altered somewhat or modified. To call one to mind, I am thinking of the elimination of the bond which had formerly been required by fiancées, usually Chinese fiancées.

In answer to my hon. friend from Cartier who said that there had been no new definition of refugees—he called it a modification —well, whether it was a modification or not may I say we had a warm letter of thanks from the Canadian Jewish congress expressing their deep appreciation of the steps which were taken to make it permissible for those persons who might be classified as economic refugees, not normally recognized by the high commissioner for refugees, to enter this country.

As I said a moment ago, I make no apologies for the changes which have been made. I make no apologies for the fact that I have tried to pursue a flexible policy. I do apologize for not having brought in a new act before now, but I can assure hon. members that there were circumstances completely beyond my control which have prevented my bringing it in before now.

Mr. Pickersgill: Because I think there would be a very general interest in this question I wonder whether the hon. lady can tell us just precisely where the investigation into the Chinese question is at the present time?

Mrs. Fairclough: Mr. Chairman, I am afraid I cannot give a precise answer to that.

Mr. Pickersgill: A progress report.

Mrs. Fairclough: The investigation is proceeding; a number of Chinese have come forward and have given information by means of which we are in the process of regularizing their status. A few have already been regularized. Some of the others are awaiting further information, but we expect that we will be able to deal with their cases.

In so far as the prosecutions are concerned, of course, those come under my colleague the Minister of Justice. I might say, though, that I am a little disappointed that more of the Chinese have not taken advantage of the offer which has been made to them by means of which they might have come forward and given us the true circumstances of their entry and their true names, and thus have been in a position to pass on to their children their proper identity. I think it is a mistake for them not to do so, and I am sure that in the years to come those who do not will bitterly regret it. I do hope that even yet a great many of them will

come forward and establish themselves as bona fide immigrants and citizens of Canada.

Mr. Pickersgill: I noticed from the statistics that the hon. lady gave us, and I also noticed this in the newspapers, that immigration from China was about half of what it was in 1959. Is the hon. lady now satisfied that all the people who are now coming are bona fide immigrants in the sense that they are the persons whom they represent themselves to be, and that the situation which was being investigated is now being completely cleared up so far as all the current cases in Hong Kong are concerned?

Mrs. Fairclough: Mr. Chairman, I do not think I can undertake to make any such statement. We hope that we have investigated and traced all of the current entrants to the places where we know they pretend to be. I think the very fact that immigration from China has been cut in half—and which I might say is the direct result of fewer applications, not of action on the part of this department—will indicate that those who are coming forward now are the ones that are sure of their own bona fides. I do not think that under the present circumstances someone would come forward who knew that he was deliberately misrepresenting himself. In fact, he would be a very brash individual indeed to do so.

Mr. Pickersgill: The hon. lady took some credit to herself with regard to changing the regulations with respect to fiancées. I am not sure that I entirely approve of the change which was made but that is a matter of opinion. She knows the reason why the original provision was made. Those fiancées from China were all admitted when I was minister as a matter of grace and not under the regulations at all. But it did happen occasionally that the passion that had prompted the application did not survive the encounter, and sometimes there was no marriage. It seemed to me that in those circumstances it was only fair that they should have a return ticket so that they could get back, because I do not think it is beyond the hon. lady's imagination—and perhaps she does not even need to imagine it—that sometimes some people who alleged they were applying for fiancées were applying for women for some other purpose. Is the hon. lady quite satisfied that the people she is admitting now as fiancées really are all bona fide cases, and can she give any figure as to whether the number has increased or decreased in the last year?

Mrs. Fairclough: I am very happy to inform my hon. friend that we have not had one Chinese fiancée come forward who has not fulfilled the marriage contract subsequently and since the bond was removed. I wish I could say the same for the fiancées who come from all other countries. That was one of the grievances when we removed the bond. We felt it was an unjust condition directed against the Chinese when possibly the Chinese more than any others were observing the conditions of their entry. Consequently I am very glad to say there have been no culprits since the bond was removed.

Mr. Pickersgill: I do not think there were many of the return tickets used even before, if the hon. lady will recall the figures.

In view of the discussion we have had so far, I think it might be useful if either now or later the hon. lady would give us a record of the respects, not in which the practice has been changed, but in which the actual regulations have been changed since the present government came into office, and what the nature of the changes was and what the effect of them has been. If it could be done right away it would be all the better.

Mrs. Fairclough: I can give my hon. friend some. The regulations were amended to enable Canadian residents of Asian origin to sponsor admission of their spouses, children and parents. Previously such sponsors had to wait until they acquired Canadian citizenship. This change enabled the reunion of families who would otherwise have been separated for five years.

Mr. Pickersgill: In some cases.

Mrs. Fairclough: Well, having regard to the fact that I was accused earlier of separating families I think maybe I might stress the point that this was done specifically to reunite families.

Then there was the order in council which amended the regulations to provide for the landing under minister's permit of persons who marry Canadian citizens or residents. This was intended to provide a little more control over the admission of fiancées by providing, if necessary, for the removal from Canada without formality of those who did not marry. I am sure my hon. friend will remember cases when he was minister where one person would bring forward successive fiancées, none of whom ever actually entered into marriage with him.

Mr. Pickersgill: Certainly not with me.

Mrs. Fairclough: I meant with the applicant. I am sorry. I have mentioned already the elimination of the bonding requirement and I have already mentioned the amended definition of refugees. These are the ones that come immediately to mind. There are other minor changes that I could secure for my hon. friend but these are the ones that are the most prominent.

Mr. Pickersgill: Could the hon. lady say how many refugees were admitted to Canada during refugee year apart from those who were brought in under the government's scheme, so to speak, the tubercular ones?

Mrs. Fairclough: In round figures about 4,500, including some 700 or more who came in under the tubercular refugee scheme.

Mr. Pickersgill: How many is it contemplated are coming under the extension of the direct government sponsorship?

Mrs. Fairclough: At the present time we have made arrangements for 114 in hospitals. With their families I cannot say exactly what the number will be but it will probably be about 450.

Mr. Pickersgill: Can it be said that, practically speaking, all the tubercular people in the refugee camps in Europe who would be willing to migrate at all have now been taken care of?

Mrs. Fairclough: We have altogether only 96 left that we know of who can be brought forward.

Mr. Pickersgill: I think this has been one of the most humane and commendable things that has been done since the Hungarian situation and, as the minister knows, I have never failed to commend what the government has done in this matter. I know there were people who felt that there was quite a danger to the public health. Some quite eminent doctors who are friends of mine have said to me that there are various kinds of tuberculosis and we might start a new strain in this country. However, there does not seem to be any evidence that any harm has been done or that there has been any infection of anyone already here as the result of this movement, and it undoubtedly has changed the very lives of a lot of people in a way of which I think every Canadian who has contributed to it ought to be rather proud of having had some part. I must say I am very happy indeed to commend the government for having done this.

Mrs. Fairclough: Mr. Chairman, much as I should like to take all the commendation myself I must in all fairness pay tribute to the provincial governments who in their turn participated in this scheme by making hospital beds available and by entering into arrangements with the federal authorities for the care of these people. I think we can truly say that this has been a Canadian scheme which touched all classes and kinds of people because in addition to the part played in the scheme by the provincial governments a number of these people were brought forward by individuals, by groups of individuals and by organizations such as churches and service clubs. Altogether I think it has been a most heart-warming effort.

Mr. Pickersgill: I should like to make a few observations but I see the hon. member for Kootenay West rising.

Mr. Herridge: I was simply going to ask a question. I do not want to interrupt the hon. member's line of thought.

Mr. Pickersgill: I was really going on to make some observations about a different subject. I gather from what the minister has said about the revision of the Immigration Act that it is very far indeed from being in a final form for submission to the house. Therefore it may be that the minister would be interested in having my views as to some changes and improvements that I think should be made in the act. I would be very glad to mention a few of them.

The reason I am doing so right now is that the question of tuberculosis is one of them. I think that certain of the prohibitions now in the act should be removed. I could do a Pontius Pilate act over this because when the act was before parliament I was not a member of the house although the hon. lady was, so I had no direct responsibility whatsoever for what is in the act. When that prohibition was put in the act there were justifiable fears about contagion that are no longer justified at all. I know that I came pretty close to breaking the law on a good many occasions when I was the minister by actually admitting people to this country who, strictly speaking, were not admissible because they still had a spot on a lung that some doctor certified might still be active. I did not do it very often and, of course, I never landed them as immigrants.

I do not need to tell the minister that painful situations of this sort arise all the time because the law itself in my opinion is quite unnecessarily harsh. I do think that not only that particular prohibition but all the other prohibitions including the one about insanity should be examined. I feel very keenly about the one regarding insanity. As every hon. member knows, there are many kinds of mental disorder, particularly those kinds which young people have from which they recover and which make them no more prone to mental disease in the future than someone who has never had any mental disease. I think that the prohibition in that field is utterly out of accord with what would now be the public view of what would be appropriate. I would hope that there would be some relaxation in that field as well.

I also hope that the minister, though she certainly is under no obligation to do so, will

carry out the pledge that I made to the welfare association that if I ever introduced amendments to the act I would take out the provision for the deportation of persons who become public charges. I think that is a relic of the old days when the municipalities had to bear the whole burden in the case of any person who went on relief and they were unwilling to do so. But now that we have unemployment assistance, half of which is contributed by the federal treasury, for all kinds of Canadians and which applies not merely to unemployed persons but to everyone who is on relief for any reason, I certainly see no earthly reason why that provision should be there.

I am now going to embark on a subject which is much more difficult and about which I have done a lot of reflecting since I ceased being the minister.

Mr. Churchill: You have had more time.

Mr. Pickersgill: As the Minister of Veterans Affairs has pointed out, I have had a little more time, and I have had to find other means of occupying my time that were more lucrative than just thinking.

Mrs. Fairclough: You had better edit that statement.

Mr. Pickersgill: Than just thinking? Perhaps with the permission of the hon. lady and of the house I might look at it and edit it to the extent that I think is necessary.

To come back to my point, one of the most difficult things was this whole problem of adjudication of deportation cases. When I was the minister I had the governor in council set up an appeal board in respect of the deportation of landed immigrants who I felt had rights. From the time I set up that board every landed immigrant was asked to opt—I do not know whether the minister follows this course—whether he wanted his case settled finally by the board or by the minister. Of course, under the law, the minister has to settle it. There is no escape because parliament has said so. If the person said, I want it settled by the board, then I did not alter the board's decision. If the person said, I want it settled by the minister, then I asked for the board's advice and while I generally followed it I felt I was under an obligation to exercise a certain measure of judgment myself. I think this course was quite legal, and I was advised it was quite legal.

However I would much rather have had a board that had the final jurisdiction and, if necessary, an appeal to the courts. I do not believe such a right of appeal to the courts would have been exercised very often. I have the view that once we accept a person as a landed immigrant he has certain rights. It is true he has not the same rights a Canadian citizen has but he has broken his ties with another country and we have said, you look like a likely citizen. We have accepted him and we have, therefore, incurred some kind of obligation.

I think it would be very much better to have these cases adjudicated by a tribunal. It would make the life of the Minister of Citizenship and Immigration a good deal more tolerable if she had no power to deal with these cases at all, just as she has no power to deal with citizenship cases. I do not believe the minister differs with me in the view that the amount of discretion that can be exercised should be reduced to the minimum.

The only reason there is any discretion under the act—at least in my experience during the whole time I administered it—is so that it can be exercised for the benefit of the applicant. I have never known discretion to be exercised the other way. In fact, I do not believe it could be exercised the other way. Either a person is legally admissible or he is a borderline case, and if you admit him you are exercising the discretion in his favour. The question is, do you want to retain any discretion of that sort. I think that unless we are going to have a quota system or a complete open door policy there has to be a measure of discretion exercised somewhere. I do not believe the Canadian people would ever accept the open door policy, and I am very much against a general quota system. I say this not as a final opinion, but I just offer this gratuitous advice to the minister and to her officials for consideration before the act is revised.

I have come to the conclusion that on balance there ought to be a provision in the act for the establishment of an appeal board to consider any appeals in sponsorship cases. This is a very difficult task for a minister. A minister is under all kinds of pressure from all kinds of people, some of them benevolent and some of them quite mercenary. It does seem to me that if we could lay down rules for sponsorship and then create an independent tribunal to consider any cases that were appealed by the legal sponsor in Canada, it would make this portfolio supportable. I must say I have a good deal of sympathy for whoever has this task at the present time because there are too many decisions that nobody but the minister has the right under the law to make for one human being to be expected to make them, to be able to make them conscientiously and live a normal life. I speak rather feelingly about this. I tried to administer the act exceedingly conscientiously, perhaps too conscientiously. At any rate I am

honestly trying to make some suggestions which I think might make the law more tolerable from every point of view.

I must confess that in the case of applicants for admission to Canada who have no sponsors, who have no previous connection with Canada, I do not believe their cases are capable of being adjudicated by any kind of tribunal or board any better than they can be handled by the officials of the department. When it comes to a question of selecting from the outside world those people we want or do not want to be residents of Canada, who have no connection or relationship of any sort with this country, I do not think we should do anything which would confer a right upon other people. I do not believe that would work. I believe the moment you did it you would have the administrative machinery and the adjudicative machinery clogged with so many cases, most of them I am afraid I would have to say unworthy cases, the whole process would break down.

We have had some experience with those who have got into the courts. The hon. lady will remember a certain person by the name of George Christian Hanna who was of great help to her party in Vancouver in the general election of 1957. I think before she had ceased to hear about him she was as sick of his name as I was. It is true there are a number of undesirable people, and there is no earthly reason why we should have them in Canada. The notion that anyone who is not very welcome in his own country but who wants to come here should be able to come here is one that I do not believe the Canadian people would accept for one moment. I think a clear-cut distinction could be made. I say this after a lot of reflection about the difference between immigrants of that type and sponsored immigrants. This would, I believe, involve extending to the English and the French, who do not have it now, the right to sponsorship which is given to other people. These people did not have it in my time because they were relatively freely admissible anyway. I think that would have to be modified.

There is one other matter which I suppose, in a sense, more properly comes under citizenship than under immigration, but is closely related to it. In view of the rather higher degree of literacy, the rather higher educational qualifications generally, and the greater need there is going to be in the future if we are to provide for good immigration and to make things agreeable to immigrants in Canada, I have been wondering if we should not give consideration to reducing the five-year waiting period for Canadian citizenship. At the present time I think it is really more attractive for most people to stay in Europe than it is to come to Canada. I think we might give consideration to the question of whether five years is too long a period to wait for citizenship. I have not any fixed views on this subject but I think it is one that perhaps merits some consideration.

There is one other question and I come back to it because I omitted it earlier. There were also these other deportations. I suggest to the minister that she change the nomenclature in the act so that a clear distinction is drawn, by using a different word, between what you do with landed immigrants and what you do with people who are here as visitors. Much of the misunderstanding that exists at the present time about the administration of the act is due to the confusion in people's minds between the deportation of immigrants and the deportation of visitors.

I must say that on balance, having regard to all the circumstances, I think that some advisory body should have the capacity to review deportation orders of visitors as well. My own opinion is this; and may I say that I have an extremely high regard for the officers of the department. I do not think they have ever deserved much of the abuse that has been heaped upon them with regard to being inhuman bureaucrats and so on. That has not been my experience and it has not been the experience of most of my friends. But for all that, there is no doubt that when a decision is made by a single individual in Sydney and another one is made in Victoria, there is the possibility of a good deal of difference in the interpretation of the law. I think it would be a good thing if there were in existence some formal advisory body that would consider cases—and they would be relatively few—in which there was a desire for an appeal to the minister and give an opinion which could be made public, if necessary. Once this appeal is taken I think the information should be publishable. If the person does not want it published, he should not appeal. If he feels he has grounds for appeal, he should take the risks of publication. I think the minister understands thoroughly what I mean. Many of these visitors are deported for reasons to which they would not wish to have much publicity given.

I suggest that this procedure would also serve a useful purpose. But I say to the minister that if she can think of some other word it might be helpful. I do not care which one she calls deportation and which one she does not. On the whole I would use the word "deportation" for immigrants and I would get another word that had a different connotation for those people who are just visitors in the

country and who have no right whatever to stay here if they are objectionable in any way.

These remarks were not very well organized. They are rather a wide-ranging expression of opinions but I hope they may be a little bit helpful in the drafting of legislation.

Mrs. Fairclough: Just before my hon. friend asks his question I should like to thank the hon. member for Bonavista-Twillingate and tell him that practically all of the suggestions he has made have been under consideration. I cannot find too much wrong with what he has said. If he has any other ideas on the subject I hope he will not hesitate to send them along to the department. Out of the wealth of his own experience in this branch I know that he must have some definite ideas, as he has just demonstrated.

Mr. Herridge: I just wish to make a few observations on this item. First of all let me say I think all of us appreciate the extremely difficult task confronting the officials of the immigration branch because of the pressure from various groups to get people admitted and often pressure by members of parliament in contradiction sometimes to things they say in the House of Commons. I want to say publicly that in travelling through the country and in talking to a good number of persons, including some members of this House of Commons, I find that there is a general appreciation of the good work being undertaken by the present deputy minister and of his generally fair, sympathetic and humane approach.

In listening to the remarks of the hon. member from Bonavista-Twillingate who speaks with considerable experience I must say this, although it rather pains me at times to be compelled to agree with him. I must say that he put up a reasoned case with respect to various groups of immigrants, and particularly with respect to the admissibility of sponsored immigrants who are coming to relatives who will provide for them so that they are not going to be a public charge. I think his suggestions in that respect were quite sound.

On the other hand, Mr. Chairman, while I realize all the difficulties, it appears that we still have not a planned immigration policy in which we bring forward people on the whole when they can be absorbed into the economy without displacing Canadian workers or, shall I say, competing with Canadians for short housing and things of that sort. In the opinion of the members of this group who have always advocated a planned immigration policy, immigrants' applications should be processed in the country of origin and then they should be brought forward as they can be fitted into the stream of employment satisfactorily in this country.

I want to say a word or two about landed immigrants. This matter has been a sore point with some members of this group and other members in this House of Commons. I refer to the abuse of this term "landed immigrants". The minister has had brought to her attention on a number of occasions where people come in from the United States, as they have done in British Columbia in recent years, as landed immigrants. I have had them tell me after they have arrived here that they have used the term "landed immigrants" only to come in and work for three months. They come in as landed immigrants not intending to stay as immigrants and take employment on that basis away from Canadian workers; they come in and work on pipe lines and things of that sort. I think there is considerable abuse of the opportunity to come into Canada as a landed immigrant. I think there should be some consideration of that term and I think that something should be done to make certain, as far as possible, that a person who comes to Canada as a landed immigrant is a genuine settler and intends to try to establish himself or herself in this country and intends to make a living here. We have had numerous cases of that kind in the interior of British Columbia, particularly in the building of pipe lines.

Then we have another abuse of the immigration facilities and in one case I found the officers of an international union cooperating with men in the United States, to the disadvantage of the Canadian workers, in making application for men to come into this country on the assumption that there was no Canadian capable of doing the job. They come in as technicians of a certain type and inside of a week they were driving a truck. I think that is a question that requires careful looking into and I think something should be done with respect to regulations in order to strengthen our officers at the ports of entry.

Then there is the question of securing employment for immigrants and I have raised this question previously. I think it is entirely wrong that, shall I say, the seeking of employment for Canadians and for immigrants should be in the hands of two departments. Here we have the employment service of Canada carrying on its functions normally with its officials largely tied to offices, with inability to travel. We have these officers dealing with registrations and applications of workers for employment in the region which the office serves, and we have the immigration officer doing his duty, able to travel all around the country. He

receives a wire to say there are 20 immigrants coming tomorrow, and one immigration officer told me this was a proper headache.

I know several instances where he has just happened to meet an employer who wanted a man in a small community in my constituency and who had not time to register at the national employment office at Nelson or Trail. The immigration officer said, "I have certain men coming at a certain time, I can provide you with men", and one or two, or a number of immigrants obtain employment within a day or two of arrival in Canada.

At the same time there are in that community men who have had applications in the employment office for six months, married men with children, veterans who fought for this country in the second world war particularly. I know of cases where there has been hard feeling among the Canadian citizens affected in this way.

It is also unfair to the immigrant, who is sometimes subjected to a kind of disfavour, to put it very politely indeed, in a small community because he walks into that village —I do not blame him—and takes a job which other men are seeking, because they have been unemployed for some period of time.

I do think consideration should be given to bringing this question of employment under the unemployment service of Canada so that they can place applicants, as they register for jobs, in positions which are vacant. If someones arrives rather late, there is provision made for these people to be cared for and looked after in other ways for a certain time. I think that would be better than having this unfortunate state of affairs that causes a considerable amount of annoyance, to say the least, at certain times.

I want to ask the minister, at the request of a number of my constituents, what happens to an immigrant who has not become a Canadian citizen and who has committed a criminal offence or offences and has been sentenced to penitentiary for two years or more. What happens in the case of an immigrant who is sentenced to a year in jail, or six months in jail? In a case brought to my attention in the city of Revelstoke an immigrant spent six months in jail on three occasions, and the chap came back and went to work, and so on. What is the policy of the department in respect to immigrants who commit crimes, who are not Canadian citizens and who obviously, from their records, are not suitable citizens? What does the department do upon their release from penitentiary?

Mrs. Fairclough: Mr. Chairman, the usual practice is this. If a person who has not yet acquired domicile—which means residence, after being landed, for five years—commits an offence and is charged and sentenced, he then becomes liable to deportation. There is the odd case where, if he is a first offender, he might be given a chance to see whether he can make good. But his period of residence toward the establishment of domicile stops when he gets into trouble with the law, in most cases.

Mr. Herridge: Do you mean by that he has to start his five years over again?

Mrs. Fairclough: In the event that he has more than one conviction, of course in the average case he would be immediately deported. I might say, though—as my hon. friend probably knows—it is difficult to deport a person who comes from an iron curtain country, because the matter of deportation requires the consent of the country to which he will be deported. So I cannot give my hon. friend an over-all answer; but the general rule is that a person who has not yet acquired domicile and who has committed an offence for which he is convicted and serves a sentence would be deportable.

Mr. Herridge: Would the minister mind commenting on my suggestion that this search for employment for both Canadian citizens and immigrants be brought under the Department of Labour.

Mrs. Fairclough: Mr. Chairman, this is not at all a new suggestion. Not only my hon. friend but many other persons from time to time have made this suggestion.

Mr. Herridge: Even Conservatives, when they were in opposition.

Mrs. Fairclough: If the immigrant concerned comes from the United States or from some other English speaking country to an English community, or a French speaking country to a French community, he could probably report to the local national employment service and take his chances with others who are making application. However, it must be borne in mind that the immigration department is responsible for these people, or has made itself responsible for them for a year after their arrival. Many of them require an interpreter at first. They certainly require to be told the conditions under which they would seek employment in this country. In other words, they need to be guided for a considerable length of time after they arrive in Canada.

These are just a few of the reasons why we consider it necessary to do what we can to assist them. Moreover, if they are not

employed they become more or less a charge on the immigration department. Consequently we do what we can to assist them to find housing, to find employment and to generally guide them in their first days in this country.

It is not our intention at any time to take work away from Canadians. In fact we have bent over backwards in that regard. The remarks which I made indicating the manner in which we are proceeding to try to circumvent such circumstances are the very remarks for which I was roundly criticized in this house today and in some of the newspapers of the country. But that is the very reason why we believe we should only bring into the country such workmen as have skills which are required at the present time and for which there are vacancies.

I might draw to the attention of my hon. friend that it is quite possible—I have said this on other occasions—that in a certain line of work there may be vacancies in the city of Toronto and surplus workers in Vancouver. The surplus workers in Vancouver, particularly if they are family people, are very loath to pull up stakes and go following the call of a job in the city of Toronto; and vice versa. We have these situations all the time.

So regardless of the fact that there may be unemployment in the country, there are always vacancies which are crying to be filled in some parts of the country. We do our best not to cause any difficulties in this regard, and we certainly try not to take jobs away from Canadians.

Mr. Herridge: Mr. Chairman, could I just ask the minister one more question. I have been very patient indeed today, because I have been absent a great deal of the time. Has the minister given consideration to doing something to strengthen this section that permits immigrants to come in as landed immigrants when it is obvious that they are coming in under false pretences? It happens repeatedly. I want to explain this to the minister. I thought she was a bit snippy with me the other day when I asked a question, but I have forgiven her that already. I must say that this was brought to my attention and I suggested that the R.C.M.P. should check on this matter.

This is what I did. There were half a dozen men who came across from the United States at either Paterson or Newgate in my constituency, the ports along the Kootenay border. These men had come in as landed immigrants. I got in touch with the R.C.M.P. and told them these men claimed to be landed immigrants. They had come in as settlers and were working on the pipe line. I told the R.C.M.P. that it had been brought to my attention by other employees that they were boasting of the fact that they were only going to work while the pipe line was being constructed and then they were going back to the United States.

I had the R.C.M.P. check their licences. They were staying in British Columbia and using their United States licences because they were claiming to be only visitors. My suggestion was that the R.C.M.P. should check some of these cases. If they found a man had come in and was still using his United States licence under the pretext that he was a visitor on the one hand, in order to avoid taking out a British Columbia licence, claiming exemption as a visitor for six months and was claiming to be a landed immigrant on the other hand, there would be clear proof that there had been an entry under false pretences. I made that suggestion then, and now I make it again seriously. I think a few checks might do something to stop this practice which is very annoying for Canadian workers looking for employment on the same jobs.

Mrs. Fairclough: I find it a little difficult to understand the situation, because these people who come in as landed immigrants must, after all, undergo a certain examination, a health examination, and so on. I do not see any number of them doing that for the sake of being here for three months. On the other hand, if they come in as landed immigrants I think their automobiles would be listed as part of their household goods. I do not know what the regulations may be in British Columbia but in other provinces they are not allowed to use their cars after a stated period of time before securing a licence so I think it would be fairly easy to check. If a person comes in as an immigrant and brings his car as household goods, surely the provincial licensing authorities would be hot on his trail to make sure he lives up to his obligations. We have from time to time checked the reports which have come to us with respect to visitors working, particularly on pipe lines and on this one project at Cranbrook spread—is that the one the hon. gentleman was referring to?

Mr. Herridge: That is right. That is the most recent one.

Mrs. Fairclough: Just recently we checked that and there were only eight men working on it who were in the category of landed immigrants. All the others were Canadians.

Mr. Herridge: The minister mentioned Cranbrook spread and I notice that the leader of the official opposition made a speech in Cranbrook quite recently, touring around having certain designs in view, and

one of the things brought to his attention at that meeting was this very matter, and I understand there were some vehement complaints made. There may have been only eight landed immigrants working at the time the minister made her check, but there were many more than that. In my district the number went up to hundreds when the pipe line was being built from Penticton to the southern portion of British Columbia. Incidentally the contractor refused to hire men through the national employment service. The manager told me the United States contractor told him he was not going to be bothered by this potty national employment service, but said: I am going to bring in the men I need, and the rest will line up outside the office door so I can pick the ones I want. One group was put to work for a week or two and then that group was fired and a new group was taken on, and so on. It was most unsatisfactory.

Mrs. Fairclough: We have a complete report on this, and if the hon. gentleman wishes to pursue the matter further we shall be glad to give it to him.

On the general question, I would remind the hon. member that it is one thing to ascertain what a person does and quite another to ascertain his intentions. All these people come forward as landed immigrants and fulfil the requirements of the act and bring their household goods. I do not know how we could possibly say to some of them: you are obviously not landed immigrants and obviously you do not want to stay in Canada. If it were obvious, we would not let them in.

Mr. Rapp: I wish to ask a short question. Are any immigrants landing in this country from behind the iron curtain, and are there many inquiries from people living behind the iron curtain about immigration to this country?

Mrs. Fairclough: Only from those who have relatives in Canada. We get inquiries from persons who have relatives behind the iron curtain in various countries who would like to bring their relatives to Canada. We get such inquiries from time to time. I would not say the volume is great, but we get quite a few.

Mr. Pickersgill: The hon. member also asked whether there had been any immigrants landed from any countries behind the iron curtain.

Mrs. Fairclough: Oh yes, there have been.

Mr. Pickersgill: This is a subject I should like to pursue a little further. There have been periods, as the hon. lady well knows, when in certain of these iron curtain countries there may be a temporary relaxation and it would be somewhat easier for Canadian citizens who had left relatives there to get, say, their parents out of those countries. At the time I ceased to be minister that was certainly true of Poland. That was just after the troubles of 1956. A great many people managed to get out at that time. There have been one or two periods when it has been possible for a few people to get out of Russia but not very many. I understand there have been one or two cases where parents have even been allowed out of Hungary, but I am not sure if that is correct. I wonder if the hon. lady has any statistical information and if she could indicate what the prospects are and also what procedure has to be followed.

Mrs. Fairclough: I am afraid I cannot describe the procedure in sufficient detail at this time to be useful, but in answer to an earlier question, I now have the figures. Last year 4,426 persons came in from a number of iron curtain countries.

Mr. Pickersgill: May I ask a factual question? Does that include Yugoslavia?

Mrs. Fairclough: Yes.

Mr. Pickersgill: Of course, there are two views about whether Yugoslavia is an iron curtain country and that is why I asked that question. Does that number also include people from China?

Mrs. Fairclough: No. There were 881 from Yugoslavia. Poland has from time to time permitted persons to leave; not all who wished to, but most of them come forward. When there are indications that a certain country is relaxing its procedures with regard to permitting its nationals to leave we try to hurry visas for those persons who have waited, probably for a long time, so that they may rejoin their people in this country. It is a spasmodic thing. Sometimes a country will permit persons to leave, and then, all of a sudden, close the gates and allow none out. These are situations which again require some flexibility in the policy of the government.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: Will the house be dealing with these estimates tomorrow and, if so, what will the business be for next week?

Mr. Churchill: Tomorrow we will commence with second reading of the bill based on the resolution dealing with the Pension Act and in view of the lengthy discussion we had on the resolution stage it might be that second

reading of that bill will pass the house fairly quickly; also in view of the fact that it is our intention to move that following second reading the bill be referred to the standing committee on veterans affairs where the clauses may be studied in detail. That will be followed by the estimates of the Department of Citizenship and Immigration.

On Thursday, I generally attempt to forecast the following week's business, which is subject to change, but next week it will be this: on Monday we will have a private members' day; Tuesday will be government business with these items called, No. 9 on today's order paper, a resolution in the name of the Minister of Transport dealing with a proposed railway to Mattagami lake in the province of Quebec. The second item on Tuesday would be No. 3 on today's order paper, the second reading of Bill No. S-3, to repeal certain laws relating to the signal station at Halifax. This is also under the Minister of Transport. The third item on Tuesday would be item No. 5 on today's order paper, second reading of Bill No. C-61, to amend the Indian Act. I have no knowledge of whether the whole day would be spent on these three items or not. If there were any spare time on Tuesday we would then take up item No. 7 on today's order paper, the motion to set up a select committee on research.

For Wednesday, the first item to be called would be item No. 11 on today's order paper, referring the report of the Canada council to the public accounts committee. The second item on Wednesday would be item No. 12 on today's order paper, referring the public accounts and so forth to the standing committee on public accounts. That would be followed by the continuation of the debate on the budget resolutions.

On Thursday, we would continue the budget resolutions if they are not concluded on Wednesday.

On Friday we would take up estimates. If we have not finished citizenship and immigration we would start with those again on Friday and then carry on with agriculture.

Mr. Winch: If it is at all possible, since there is not likely to be any debate on these matters, would the minister have the two motions of reference to the public accounts brought up on Tuesday instead of Wednesday because the committee is desirous of meeting at 9.30 on Wednesday morning.

Mr. Churchill: I appreciate that fact but unfortunately the Minister of Finance will not be here on Tuesday and I think he should be here when these items are brought forward.

At five minutes past ten o'clock the house adjourned, without question put, pursuant to standing order.

Question

ANSWER TO QUESTION

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

PROVINCIAL WINTER WORKS PROJECTS

Question No. 90—**Mr. Racine:**

How many winter works projects, in each province, have been accepted by the federal government (a) during 1959-60; (b) since the beginning of the 1960-61 period to date?

Supplementary answer by: **Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources):**

Winter works projects accepted by the Department of Northern Affairs and National Resources on behalf of the federal government under the camp grounds and picnic areas program:

	1959-60	1960-61 (To Jan. 31/61)
British Columbia ..	27	22
Alberta	275	45
Saskatchewan	47	50
Manitoba	79	33
Ontario	187	260
Quebec	-	5
New Brunswick ..	25	11
Nova Scotia	8	1
Totals	648	427

HOUSE OF COMMONS

Friday, February 10, 1961

The house met at 11 a.m.

THE MINISTRY

ANNOUNCEMENT OF RESIGNATION OF PARLIAMENTARY SECRETARY TO MINISTER OF TRANSPORT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have to announce the resignation of the hon. member for Victoria, (Ont.) (Mr. Hodgson) as parliamentary secretary to the Minister of Transport. The resignation was received and I accepted it with regret. The hon. member has performed his duties in a manner befitting the responsibilities of his office. I can only say that it was with regret that the resignation was accepted, consequent upon the prospective acceptance by him of a position which in no way interferes with his right to sit as a member of parliament but might be inconsistent with the responsibilities of a parliamentary secretary.

Hon. L. B. Pearson (Leader of the Opposition): I am sure, Mr. Speaker, all members will have heard this announcement with great regret. The hon. member has been in the house a long time, and he has never hesitated to speak his mind frankly when he felt like doing so. However, he has always been able to do so without forfeiting the respect of his friends in the house.

Mr. H. W. Herridge (Kootenay West): We all listened with interest to this announcement by the Prime Minister, Mr. Speaker, to the effect that the hon. member for Victoria-Carleton has transferred his affection from mechanical to four-legged horses. We wish him every success in the new work he has undertaken.

Mr. C. W. Hodgson (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, I have resigned as parliamentary secretary to the Minister of Transport. One reason for doing so is that my health is not sufficiently good to cope with the amount of work the minister lays on your back. Nevertheless, I have got along well with the members of the department with whom I have worked. I never worked with anybody I enjoyed more than the Minister of Transport. Anything I have done for any of the members of the House of Commons has been a pleasure. I have other duties that will call me from this duty, and that will take some of my time. I believe a man can only do so much work; therefore I thought I might better serve my people in the agricultural industry of Canada in this other appointment.

I appreciate what was said by the Prime Minister, the Leader of the Opposition, and also the leader of the C.C.F. party. I note that the hon. member for Kootenay West is shaking his head, but after all he has more to say than all the rest of the C.C.F. party, and sometimes three or four times as much. If he has not that portfolio, probably he should have it. I should like to advise him that I am not the hon. member for Victoria-Carleton; I am the hon. member for the electoral district of Victoria, Ontario, which includes Victoria, Haliburton and north Ontario counties, in area the largest riding in southern Ontario.

JUVENILE DELINQUENTS ACT

AMENDMENT TO EXTEND SECRECY PROVISIONS TO FILES AND RECORDS

Mr. E. J. Broome (Vancouver South) moved for leave to introduce Bill No. C-68, to amend the Juvenile Delinquents Act.

Some hon. Members: Explain.

Mr. Broome: Mr. Speaker, section 12 of the Juvenile Delinquents Act sets out the requirement that trials of children shall take place without publicity and separately and apart from the trials of adults. The act prohibits newspapers and all other publications published anywhere in Canada from publishing the names or disclosing the identity of anyone being prosecuted under the Juvenile Delinquents Act. The act therefore provides for secrecy in regard to the actual trial or hearing, but it does not provide this same secrecy in regard to the files and records respecting the trial.

The purpose of this bill is to extend the secrecy provisions of the act to these files and records, and to provide further that these records and files shall be destroyed after a period of five years from the date of the hearing or trial, if no new trial respecting such child or juvenile has taken place during the said period of five years.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

NATIONAL DEFENCE

AIR DEFENCE AND PRODUCTION SHARING—REPORTED CANADIAN PROPOSAL

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of National Defence whether he can confirm the fact that the Secretary of Defence of the United States government has received a formal proposal from the Canadian government concerning the air defence of the North American continent and production sharing. If so, can he give the house any indication of the nature of this proposal?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I do not know to what proposal the Leader of the Opposition is referring.

Mr. Pearson: I am referring to a proposal which has been announced in Washington in a press release from the defence department dated February 6, which reads:

> The Secretary of Defence received a formal proposal from the Canadian government concerning the air defence of the North American continent and production sharing.

It is that proposal in this official announcement of the department of defence of the United States that I have asked the minister whether he can confirm; and if so, can he give any indication of the nature of the proposal.

Mr. Harkness: Mr. Speaker, there have been discussions going on with the United States in connection with defence sharing, and various proposals have been put forward as far as Canada is concerned. I am not in a position to give any details to the house at the present time in this connection.

Hon. Lionel Chevrier (Laurier): A supplementary question, Mr. Speaker, to the Minister of Defence Production arising out of this matter. Do these proposals referred to in the press release just quoted by the Leader of the Opposition, and also commented on by the Minister of National Defence, contain consideration of the exchange of the CL-44 transport plane for the Voodoo interceptor?

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, we are always interested in getting production sharing to encourage all our industries in Canada.

BOMARC BASES—REFERENCE TO REPORT IN OTTAWA "CITIZEN"

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I wish to address a question to the Secretary of State for External Affairs. Can the minister comment on a report in the Ottawa *Citizen* of yesterday by Charles Lynch that the minister's initiative at the United Nations has been eroded by the establishment of Bomarc bases in Canada?

Hon. Howard C. Green (Secretary of State for External Affairs): That is a quite improper question for orders of the day.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO REPLACEMENTS FOR RETIRING JUDGES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the compulsory retirement of 13 judges on March 1, because of age, can the Prime Minister say whether these positions will be filled on that date?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, naturally there are always available outstanding members of the legal profession who are prepared to serve as judges, even at great personal sacrifice. I hope that, generally speaking, the vacancies will be filled as considered appropriate, having regard to the necessity of there being no break in the administration of justice.

HISTORIC SITES AND MONUMENTS

MARITIMES—RESTORATION OF SCHOONER "ST. ROCHE"

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I would like to direct a question to the right hon. Prime Minister in view of his known interest in matters that have historical value. Can the Prime Minister advise the house if he has noted the press reports that the famed R.C.M.P. schooner *St. Roche* is becoming a rotting hulk in the maritime museum and money is urgently needed for its restoration? If so, will consideration be given to financial aid to preserve this historic ship?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I cannot give a specific answer to the question, naturally, having had no notice. However, I do appreciate the reference the hon. member made to the fact that I am intensely interested in the preservation of those historic things which, unless preserved, will be lost to Canadian generations to come. They are of the essence of Canadian history, and I can assure the hon. gentleman that anything that can be done to maintain and preserve these monuments will be done.

In so far as this specific question is concerned, I will ascertain the facts and report to the house at the earliest possible date.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a supplementary question. In view of the Prime Minister's obvious interest in maintaining these historic relics of the past, would the Prime Minister, while giving consideration to the schooner mentioned by the hon. member for Vancouver East, also give consideration to maintaining that historical monument, the last of the stern-wheelers now in the Kootenays, the *Moyie,* now moored at Kaslo?

Mr. Diefenbaker: Mr. Speaker, I am not sure that it is the last of the stern-wheelers. It was the last of the stern-wheelers. However, that is a matter that in the ordinary course of events will receive the attention it deserves.

Hon. L. B. Pearson (Leader of the Opposition): A supplementary question, Mr. Speaker. Would the Prime Minister, now that all these historical matters are being discussed, also look into preserving the canoe of the Minister of Public Works (Mr. Walker)?

TRANSPORT

NOVA SCOTIA—CONTINUATION OF FERRY SERVICE TO U.S.

On the orders of the day:

Mr. L. R. Crouse (Queens-Lunenburg): I should like to address a question to the Minister of Transport. In view of the importance of providing a constant supply of Nova Scotia groundfish, lobsters and scallops to the United States market, will the minister inform the house whether any action has been taken to assist Nova Scotia fishermen in transporting these items to the United States while the ferry *Bluenose* is undergoing her refit?

Hon. Leon Balcer (Minister of Transport): I am pleased to announce that following continued efforts by my hon. friend from Queens-Lunenburg and also by the hon. member for Shelburne-Yarmouth-Clare, this service will be carried out by a vessel named *O.K. Service 5* which belongs to the Himmelman Supply Company. This vessel is being prepared at the present time, and the first trip will be made on Monday, February 13.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask the minister a related question. In view of the importance of maintaining good communications with Newfoundland, can the minister say when he expects the east coast ferry will be completed?

Mr. Balcer: I am sorry, but I cannot give the precise date at the moment.

Inquiries of the Ministry

LABOUR CONDITIONS

UNEMPLOYMENT—INQUIRY AS TO AREAS OF CHRONIC UNEMPLOYMENT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister, and ask him whether a list of areas where unemployment is chronic has been prepared by various departmental officials and submitted to the cabinet for consideration and approval.

Right Hon. J. G. Diefenbaker (Prime Minister): I am sure the hon. gentleman, with the experience he has had in the cabinet, realizes that that question is improper.

Mr. Chevrier: I do not realize any such thing, but if that is the answer which the Prime Minister is giving me I should like to ask him a supplementary question. My supplementary question in this. Has the Prime Minister taken note of an article which appeared in the Halifax *Chronicle-Herald* under the heading "Top Priority for Mining Communities" which reads:

> Top priority has been given Nova Scotia's mining communities and the Ontario uranium centre of Elliot Lake in a list of areas of chronic unemployment—

The article goes on to state that this list of areas where there is chronic unemployment includes Glace Bay, Sydney Mines, Inverness, Florence, New Waterford, the mining communities in Pictou, and so on. Since this information has appeared in a newspaper article, I am asking the Prime Minister if he has any comment to make on it and whether it is a correct statement of what is being done.

Mr. Diefenbaker: I have not seen the article. One thing that I seem to be able to recall above everything else is that successive prime ministers have answered in these circumstances that in no circumstances is government policy introduced, or notice of it given to the House of Commons, by an observation on some speculative article.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to direct a question to the Minister of Labour. In view of mounting unemployment is it the intention of the government to order a series of on the spot inspections of conditions in the hard-hit areas of Canada, along the lines of action presently being taken in the United States?

Hon. Michael Starr (Minister of Labour): No such decision has been arrived at by the government.

Inquiries of the Ministry

HOUSE OF COMMONS

RELEASE OF BILL TO PRESS BEFORE INTRODUCTION IN CHAMBER

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): In view of the Prime Minister's anxiety to ensure that parliamentary business is conducted in the proper way, will the right hon. gentleman explain why a press release was issued by the Department of Veterans Affairs yesterday giving the details of the bill concerning veterans pensions before that bill was introduced in the House of Commons?

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I have no knowledge of a press release being issued prior to first reading of the bill in the House of Commons.

Mr. Pearson: Well, Mr. Speaker, this press release was issued yesterday and appears in the press this morning. The bill in question was circulated to hon. members after it appeared in the press.

Mr. Pickersgill: It was circulated just this morning.

Mr. H. F. Jones (Parliamentary Secretary to the Minister of Veterans Affairs): If I may be permitted to comment on this matter, Mr. Speaker, my information is that the copies of the press release were distributed after the bill was introduced in the house.

Mr. Pickersgill: But before it was available to hon. members.

Mr. Jones: It was introduced in the house, however.

Mr. Pearson: Mr. Speaker, I am informed, and indeed the record shows, that full details of the bill were available to the press and the public before copies of the bill were made available to hon. members of the house.

Mr. Chevrier: The release is headed "For immediate release".

Mr. Speaker: Unless the Leader of the Opposition suggests that there is a question of privilege involved—

Mr. Chevrier: Yes, there is; affecting all hon. members.

Mr. Speaker: —if I am correct in my interpretation of what has been said, the bill was read the first time in the house and was therefore in the hands of the house before the press release was given.

Mr. Pearson: Mr. Speaker, I asked the Prime Minister if he would comment on the fact that the details in regard to this bill appeared in the press release and were given to the public yesterday before copies of the bill were available to hon. members of the house.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think this is another of the hon. gentleman's duds. As a matter of fact, according to the parliamentary secretary first reading was given in this house yesterday. My hon. friend opposite has before him this morning's edition of the *Globe and Mail*—

Mr. Cardin: Which was published last night.

Mr. Diefenbaker: —and of course any newspaper would have available to it the full details of the bill to which first reading was given last evening at 5.30, I understand.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Well, Mr. Speaker, I happened to be in the house when first reading was given to the bill. The bill has only this morning—since the sitting started this morning—been made available to hon. members

Mr. Speaker: I thought this matter was being raised as a question of privilege, but I think it is a question of the administrative acts of the minister and the parliamentary secretary. If the matter has been sufficiently aired we will pass to other business.

Mr. Chevrier: But it has not.

Mr. Churchill: Mr. Speaker, just so the record is clear, let me say I was informed by officials of the House of Commons that 150 copies of the bill were available yesterday at noon for distribution to hon. members if the bill was required for second reading yesterday.

Some hon. Members: No, no.

Mr. Churchill: I am not responsible for the actual distribution of copies of bills in the House of Commons.

Mr. Pearson: Mr. Speaker, I wonder if I could ask the minister when his departmental news release No. 68 on this matter headed "for immediate release" was issued?

Mr. Jones: It was issued, Mr. Speaker, right after first reading of the bill which then became a matter of public record—

Mr. Pickersgill: But not available to hon. members of the house.

Mr. Jones: —and available, as the minister said, to hon. members of this house.

Mr. Chevrier: Mr. Speaker—

Mr. Speaker: Order. I question the desirability of having a debate on this matter. There have been several questions and several supplementaries and it seems to me the

facts have been sufficiently elicited. If there is comment to be made it should be made at a time when debate is permitted.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, the only reason it was raised in the first place was because of the answer which the Prime Minister gave in connection with the areas of chronic unemployment.

Mr. Speaker: I do not know that the reasons for raising it are of concern. It seems to me there have been sufficient questions on the topic.

Mr. Chevrier: Mr. Speaker, I desire to be heard on this question, and I ask Your Honour for permission to make a statement in answer to what the parliamentary secretary has said. We on this side of the house—

Mr. Speaker: Order. Before the hon. member makes a statement he must lay a foundation for it either by a point of order or a question of privilege. Otherwise the hon. gentleman has no right to the floor.

Mr. Chevrier: Mr. Speaker, the foundation for the point I intend to make is that the statement made by the parliamentary secretary is inaccurate. The hon. member may have made it involuntarily but it is inaccurate nevertheless, because we on this side of the house communicated with the distribution office and the bill in question—

Mr. Speaker: Order. The answers which are given in response to questions asked at this period of the proceedings of the house are not subject to comment or debate. They may be inaccurate or they may be incorrect, but unless it is done by way of supplementary question to clarify the accuracy it is not open to the hon. member to follow the course he is following.

Mr. Chevrier: It is a question of the privileges of the house and whether the house has been misled.

Mr. Speaker: If the hon. member has a question of privilege I will hear him, of course, but this matter has arisen out of the normal process of asking questions of a minister under his administrative responsibility. If there is a question of privilege, will the hon. member state it first and then we will see whether it is one that should be pursued.

Mr. Chevrier: I should like to state the privilege as being this, that at ten o'clock this morning we inquired of the distribution office whether the bill was available and we were told it was not. That is a question of fact. Then, as I was asking a question on orders of the day, the bill was put on my desk by a page boy, so this completely contradicts what has been said by the parliamentary secretary.

Mr. Speaker: It may be contradictory, but I see no question of privilege. Bills are distributed in the ordinary course of events, and I consider the matter closed.

Mr. Pearson: Mr. Speaker, a question of privilege surely arises out of the fact that the parliamentary secretary said the bill was available to us last evening, when the fact is that we ascertained from the distribution office at ten o'clock this morning that the bill was not available.

Mr. Speaker: I am sorry, but I see no question of privilege involved. The parliamentary secretary may or may not be correct. If he wants to make the matter clear he may have the floor, but surely it is not a question of the privileges of the house that such a statement is inaccurate or not.

HEALTH AND WELFARE

INQUIRY AS TO ANALYSIS OF WEIGHT REDUCING PREPARATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I sent notice of this question to the Minister of National Health and Welfare, but perhaps in his absence I might direct it to the parliamentary secretary or the acting minister. Can the minister indicate to the house whether any analyses have been made of the so-called weight reducing preparations such as Metrecal and Quota and their effects. If so, can he make a report on the results of such analyses?

Hon. G. E. Halpenny (Acting Minister of National Health and Welfare): The Minister of National Health and Welfare should be back on Monday, and I will take notice of the question.

GRAIN

WHEAT—INTERIM PAYMENT ON 1959-60 CROP

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, in view of the continuing absence of the Minister of Agriculture and the absence of his parliamentary secretary, I wonder whether I might ask the Acting Minister of Agriculture if he can tell the house when an announcement will be made of an interim payment on last year's wheat crop?

Hon. D. S. Harkness (Acting Minister of Agriculture): No, Mr. Speaker. Not having had any notice of the question, I think the

hon. member will realize that I am not in a position to give that information. In fact, I have not got it.

Mr. Argue: Perhaps the minister would do so on Monday if his colleague is still away.

Mr. Speaker: Perhaps the hon. member will raise the matter on Monday.

PENSION ACT

AMENDMENTS INCREASING PAYMENTS PERMITTING APPEALS, ETC.

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the second reading of Bill No. C-67, to amend the Pension Act.

He said: Mr. Speaker, it is not my purpose to deal at length with the new bill now before us, in view of the fact that we had a lengthy discussion at the resolution stage of the bill and, second, because it is one of those amending bills containing a number of clauses which does not lend itself to the discussion of a general principle on second reading at which time, under the rules of the house—

Mr. McIlraith: Mr. Speaker, I should like to raise a point of order at this stage. A bill has been put on our desks without a number on it, and the bill that has been called for discussion is Bill No. C-67 under item No. 6 on the order paper. I am wondering whether the bill that has been distributed is the same as the one now under discussion. How is the bill to be identified?

Mr. Churchill: Mr. Speaker, my responsibilities do not go so far as to encompass the numbering of bills, which is a matter for the general administration of the House of Commons. The bill which has been distributed this morning and which I presume will be given a number deals with amendments to the Pension Act, as is stated on the cover. That is the one which is under discussion at the present time and for which I hope there will be general approval. I am now informed that it is Bill No. C-67.

Mr. Speaker: I am not sure what the explanation is for the absence of the number, to which the hon. member for Ottawa West properly draws attention, but the bill which is placed before the house for second reading as Bill No. C-67 is the printed bill in the hands of members entitled "an act to amend the Pension Act". There has perhaps been some error on the part of the administration in not having the number placed on the bill.

Mr. McIlraith: Perhaps the matter can be clarified if the minister will assure us that there were no changes made in the bill after it was printed and before first reading.

[Mr. Harkness.]

Mr. Churchill: There have been no changes made. This is the bill which received first reading yesterday and the copy I have in my hand on the face of it reads "Bill C-67". Other copies which do not have that number on it are, I judge, ones that were made available earlier today.

Mr. Howard: I should like to raise another point of order. I do not wish to be objectionable about it, but perhaps it is a matter on which the house should make a determination. It is my understanding that bills cannot be proceeded with unless they are printed in English and French and it is so indicated on the order paper. I notice that under order No. 6 there is no such indication that the bill has been printed in English and French. Perhaps that matter should also be cleared up.

Mr. Caron: Mr. Speaker, I received a copy of the bill with no number on it. However, I asked for two copies, one in French and one in English, because I generally like to compare them, and I was told that there are French copies left but that there are no more English copies available. I do not think it is fair to members of the house to have only one side of the question.

Some hon. Members: Oh, oh.

Mr. Caron: You can laugh but you do not understand much about it.

Mr. Speaker: Order. It is clear that under the rules the bill cannot be proceeded with unless it is printed in both English and French. I was asking for the assurance of the officials of the house, and perhaps the minister will give me a minute to make sure that the bill is available in both languages.

Mr. Churchill: Mr. Speaker, it appears from the remarks from both parties on the other side of the house that they do not wish to proceed with the bill today.

Mr. Caron: On a question of privilege, Mr. Speaker, I object to what has been said by the minister. I do not object to continuing with the bill. I simply want to state that the government—

Mr. Speaker: Order. The hon. member may properly take exception to the remark, but I am endeavouring to verify that the bill is available in the hands of the house in both languages.

Mr. Jones: Mr. Speaker, I have in my hand a copy of the bill in French. At the same time, may I say that I am informed by Mr. Ollivier, the parliamentary counsel, that the bill was available to members yesterday immediately after its introduction and first reading.

Mr. Pearson: Tell your distribution office.

Mr. Speaker: I am advised that there are copies of the bill available in English and in French, but that the number of copies is limited. If the house does not wish to proceed in the absence of a copy in each language for every member, then a point might be taken. Is the house prepared to proceed under the circumstances?

Mr. Caron: I think we should proceed. I just wanted to show that the government has no respect for the rights of parliament.

Mr. Diefenbaker: It is apparent that there is some endeavour being made to hold up this matter. The statements that have been made from various sections of the house this morning, and the questions asked earlier, indicate a disregard for the proceedings on the part of the opposition. Therefore I suggest that in view of their apparent opposition to this going on today we should proceed to another order of business.

Mr. Pearson: The Prime Minister, as has happened before, has completely misrepresented the position of the opposition. We are anxious to get ahead with this bill.

An hon. Member: Let us get ahead, then.

Mr. Pearson: We are anxious to get ahead with the bill, even though the bill is not numbered and even though at ten o'clock this morning we were told by the distribution office that the bill was not available. We are willing to overlook these technicalities and get ahead with the bill.

Mr. Speaker: There have been some charges and counter-charges made, perhaps not strictly in accordance with the matter before the house. Second reading has been moved, and the house will proceed with the second reading unless it makes another direction. I think it would require the unanimous consent of the house to defer the matter. Will the minister proceed?

Mr. Diefenbaker: They ran for cover.

Mr. Speaker: Before the minister does proceed, perhaps the Prime Minister's suggestion is one that has to be determined by the house, because in the absence of a copy in each language—oh, the Clerk advises me now that there are copies available in each language for each member, and that disposes of any point of order.

Mr. Pearson: Notwithstanding this technical difficulty that there is not a copy in each language available—

Some hon. Members: There is.

Mr. Pearson: —for every member, as you have observed, Mr. Speaker, and notwithstanding the fact that the bill I have is just "C-blank", and notwithstanding the fact that copies of the bill were not available until 10.30 this morning, I think we should press ahead and perhaps the government's procedure will be more regular next time.

Mr. Speaker: Order.

Mr. Diefenbaker: Notwithstanding what the Leader of the Opposition now says, the question before the house is whether or not we shall go ahead. The attitude taken by hon. members was indicative of a desire to raise a storm concerning a matter of no importance—

Mr. Caron: The Prime Minister should not—

Mr. Speaker: Order. I think if the house will review the course of proceedings since this matter was raised first as a question on orders of the day, it will decide to proceed without further reference to any of these matters. The Minister of Veterans Affairs.

Mr. Churchill: It would seem, Mr. Speaker—

Mr. Howard: I have a question of privilege to raise, but I waited until the initial point of order had been settled. My question of privilege relates to the remarks of the Minister of Veterans Affairs and also the remarks of the Prime Minister, both of whom imputed motives to myself for having raised this point of order in the first place. I refer to the incorrect accusation of both hon. gentlemen that there was something nefarious and underhanded about this point.

Mr. Speaker: Order. I heard no reference to the hon. member, and I see no question of privilege. There have been statements made on both sides of the house which in my opinion would have been better not made. However, I do not see any question of privilege.

Mr. Howard: May I rise on a point of order and ask the Prime Minister and the Minister of Veterans Affairs to withdraw their underhanded and scurrilous remarks.

Mr. Speaker: Order. The hon. member will be placing himself in a position where he will be asked to withdraw if he does not observe the Speaker's rulings.

Mr. Howard: I would only be on an equal basis—

Some hon. Members: Order.

Mr. Diefenbaker: I think even the hon. member should be required to withdraw those last statements. It is customary with him to use language like that on occasion, and I think it should be withdrawn. There is nothing of a scurrilous nature in pointing out that the points that have been raised apparently

had a design in mind. If he did not have a design I am sure no one would suggest that he did, but these latter remarks of his cannot go unchallenged. The words "scurrilous" and "underhanded"—not that I have any sensitivity about anything the hon. gentleman says —go against the rules of parliament.

Mr. Speaker: The words complained of were not directed to any specific individual.

An hon. Member: They were directed to the Prime Minister.

Mr. Speaker: Well, perhaps the Prime Minister would indicate—I agree that if the word "scurrilous" was applied to the Prime Minister it should be withdrawn. Does the hon. member who had the floor accept the responsibility for applying the word "scurrilous" to a particular member of the house?

Mr. Howard: I am sure the record is clear in itself. I might say that I accept the withdrawal of the remarks of the Prime Minister in his initial statement, in any event.

Mr. Speaker: Well, before I insist on withdrawal I should like to be satisfied as to the application of the word. I think perhaps the application was clear enough. I would ask the hon. member for Skeena to reconsider and withdraw the words "scurrilous", and "underhanded" as applied to statements from the government side of the house, because in my view that is unparliamentary and should not be made a precedent. I hope he will recognize the force and the meaning of the word "scurrilous". If he wishes to refer to a dictionary he will find that the implications of it are not such as should be applied between hon. gentlemen.

Mr. Pearson: May I, in view of this statement of yours, Mr. Speaker, ask the Prime Minister to withdraw the observation that the opposition had any design in raising this matter. The opposition's design is to proceed as quickly as possible with this bill, but perhaps the Prime Minister will withdraw his observation that we had something in mind—

Mr. Browne (Vancouver-Kingsway): Another point of order, Mr. Speaker—

Some hon. Members: Sit down.

Mr. Browne (Vancouver-Kingsway): This has nothing at all to do with the matter that was raised—

Mr. Speaker: Order. The Leader of the Opposition perhaps was rising on a point of order. I do not know upon what other grounds he would have the floor. He cannot be interrupted on a point of order, and a point of order cannot be raised while another point of order is being taken.

[Mr. Diefenbaker.]

Mr. Pearson: I just want to repeat that the Prime Minister might be asked to withdraw his observation that we had some sinister design in mind—

Mr. Browne (Vancouver-Kingsway): On a point of order, Mr. Speaker; there was a question before the house.

Mr. Speaker: Would the hon. member resume his seat and allow the Leader of the Opposition to continue.

Mr. Drysdale: Mr. Speaker, I think there is a point of order that intervened in the present point of order.

Mr. Speaker: Will the hon. member resume his seat and allow the Leader of the Opposition to make his point of order. One point of order cannot be made while another point of order is being considered.

Mr. Drysdale: But there was a point being considered—

Mr. Pearson: Perhaps I could resume my remarks if the hon. member would sit down.

Mr. Drysdale: There was a question of privilege before the house, and I do not believe a point of order can intervene.

Mr. Pearson: You have given your decision, Mr. Speaker, and I assume it is not going to be upset by the member on my left. I said, speaking to my point of order—

Mr. Drysdale: There was a question of privilege before the house.

Mr. Pearson: Perhaps the hon. member would sit down.

Mr. Speaker: Order. Will the Leader of the Opposition give me the floor?

An hon. Member: One thing at a time.

Mr. Speaker: It seems to me that it is in order to resume the proper consideration of the matter which is before the house. A little bit of restraint and perhaps a little bit of give and take are necessary. Feelings have been aroused by statements which were made from one side and from the other. I did not feel it necessary to intervene. Charges are made from time to time that hon. members are delaying proceedings. It is questionable whether that raises a matter of privilege. On the other hand, charges have been levelled at the government benches and there is the question of a statement made by the hon. member for Skeena. It was an improper statement, as I have indicated to him.

I would suggest that all hon. members who have participated in this fruitless debate to this point allow me to accept their withdrawal

of any remarks that might be offensive, and that we proceed. Is it agreed that we proceed on that basis?

Some hon. Members: Proceed.

Mr. Browne (Vancouver-Kingsway): On this question may I say that a clearly slanderous remark has been made against the Prime Minister of this country. As a member of this House of Commons I demand that it be withdrawn unqualifiedly and immediately, and suggest that no other matter should be allowed to intervene until it is dealt with.

Mr. Speaker: As my suggestion apparently has not met with acceptance, I must come back to the Prime Minister's objection to the words "scurrilous and underhanded" which I take it the Prime Minister asserts were directed toward him.

An hon. Member: That is right.

Mr. Speaker: Will the Prime Minister please assist me in this matter of the words complained of and the party to whom they were directed?

Mr. Churchill: I can assist you, Mr. Speaker, in that matter. The words "scurrilous and underhanded" were directed by the hon. member for Skeena against the Prime Minister and myself.

An hon. Member: That is right.

Mr. Speaker: I am giving the hon. member for Skeena an opportunity to deal with the matter.

Mr. Howard: Yes, Mr. Speaker. It is quite true that I used the words. I consider them to be on an equal footing with the imputation of sinister motives by the Prime Minister and the Minister of Veterans Affairs against me.

Mr. Speaker: Order. The hon. member has not availed himself of the opportunity of dealing with the request which I made for reconsideration of these words as applied to the Prime Minister and the Minister of Veterans Affairs. Unless he advises me that he did not intend those words to be directed to the two hon. members, I shall order him to withdraw them.

Mr. Howard: Mr. Speaker, I was trying to indicate that the remarks apply to the imputations themselves.

Some hon. Members: Withdraw.

Mr. Howard: I do not know why I should be asked to withdraw when the Prime Minister can sit there in his seat without doing so.

Mr. Speaker: Order. I can deal with only one matter at a time. I am asking the hon. member either to deny that those remarks were intended to refer to the Prime Minister and the Minister of Veterans Affairs or to withdraw them unconditionally.

Some hon. Members: Withdraw.

Mr. Howard: Inasmuch as Your Honour can deal with only one matter at a time, I suggest with deference that you deal with the matter originally raised in objection to imputation of sinister motives.

Mr. Speaker: Order. I will give the hon. member one more chance before I name him.

Mr. Howard: Mr. Speaker, out of deference to you and my respect for the position you hold in this House of Commons, but out of no respect for the comments and the gleeful applause of hon. members for the other side of the house, may I say this. In the absence of such gleeful applause I certainly would without hesitation withdraw the remarks. However, with no disrespect to Your Honour, I think I must take the latter course you suggest.

Mr. Speaker: In that event it is my duty, painful though it is, to name the hon. member for Skeena.

Mr. Pearson: Mr. Speaker, perhaps the Prime Minister would now withdraw the imputation of motives attributed to this side in attempting to get this bill proceeded with in a proper way.

Mr. Speaker: I have named the hon. member. Of course it is the duty of the house leader to consider what appropriate action should be taken. I shall deal in due course with the matter raised by the Leader of the Opposition.

Mr. Churchill: In view of your decision, Mr. Speaker, concerning the reluctance of the hon. member for Skeena to withdraw his words I now move, seconded by the Postmaster General (Mr. Hamilton):

> That the hon. member for Skeena be suspended for the duration of this day's sitting.

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

Mr. Argue: No, Mr. Speaker.

Mr. Speaker: Those in favour of the motion will please say aye.

Mr. Argue: Mr. Speaker, I would ask whether or not this motion can be discussed.

Some hon. Members: No.

Mr. Argue: Then on a point of order we shall call for a recorded vote on this motion, because we feel it is unjustified.

Mr. Speaker: Order. The motion that has been moved by the Minister of Veterans Affairs and seconded by the Postmaster General is:

That the hon. member for Skeena be suspended for the duration of this day's sitting.

Mr. Argue: In the 16 years I have been here I have never seen this happen previously.

Mr. Speaker: Fortunately this is not the kind of thing which has arisen previously in my experience or I suppose, in that of most hon. members of the house. I am advised that at the time the motion is put the hon. member concerned might be permitted to make such extenuating remarks as he wishes to make, if he desires to do so. If not, the motion will be put.

Mr. Howard: I do know, Mr. Speaker, what is meant by the words "extenuating remarks".

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker—

Mr. Speaker: Is the minister rising to speak on a point of order?

Mr. Hamilton (Notre Dame de Grace): Reading from the fourth edition of Beauchesne, paragraph 134, it would appear that the procedure which has been laid down in a case like this is that the hon. member is to offer such explanation as is forthcoming before any motion is made for him to withdraw. You will recall, Mr. Speaker, that such opportunity was offered to the hon. member and he made certain explanations. According to Beauchesne, following the motion which has been made by the house leader the hon. member, in accordance with practice, withdraws immediately; and there is a procedure set forth if he does not withdraw which involves the Sergeant-at-Arms. I suggest to you, Mr. Speaker, that perhaps we should follow this procedure which has been followed in the past.

Mr. Speaker: What the hon. member says does not indicate any practice against allowing the hon. member whose conduct is in question to make an extenuating statement if he wishes to do so. That was the course followed the last time this procedure was used.

Mr. Howard: Mr. Speaker, not to abuse the privilege that I have at the moment I may just say briefly that as hon. members will know, I think, this arose from comments of the Minister of Veterans Affairs and the Prime Minister, following that, to the effect that those of us in the opposition who raised the initial point of order as to whether or not the bills were printed in English and French were engaging in delaying tactics and did not want to proceed with this particular bill today.

It was the imputation of that motive to which I objected and which occasioned the remarks I made, as I tried to indicate earlier. I think it is extremely unfortunate, of course, that in the heat of debate, perhaps, the Minister of Veterans Affairs initially said something he would not normally have said upon more calm reflection and would not have imputed these motives to me. That is why I made the other comments.

Mr. Speaker: The hon. member has indicated the provocation which induced him to engage in the conduct just now complained of, but if he has nothing to say about his own conduct I shall put the motion.

Mr. Pearson: Mr. Speaker, I think I ought to say a word on behalf of the official opposition with regard to this painful matter. I understand it is possible—

Some hon. Members: Order.

Mr. Speaker: Order. I am sorry; the motion is not debatable. The only precedent is that the person involved may make a statement. The subject matter of the motion itself is not debatable and must be put.

Mr. Pearson: On a point of order, Mr. Speaker, for clarification, could you confirm the fact that the hon. member was named solely because, whatever provocation he may have had, he used the words, "scurrilous and underhanded" as applied to the Prime Minister and the Minister of Veterans Affairs, and there is no other issue involved in this matter?

Mr. Speaker: I can confirm that the words now used by the Leader of the Opposition, "scurrilous and underhanded", as applied to the hon. members on the government side who made statements in the course of the discussion, the Prime Minister and the Minister of Veterans Affairs, were the words which I thought ought not to have been used and should have been withdrawn.

Is the house ready for the question?

Some hon. Members: Yes.

Mr. Speaker: The question is as follows:

That the hon. member for Skeena be suspended for the duration of this day's sitting.

Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

Before the taking of the vote:

Mr. Diefenbaker: Mr. Speaker, before the vote is called, I have not had an opportunity as yet to say what I would have said earlier. As the ruling has been made—

Mr. Speaker: Order. May I get the leave of the house for the Prime Minister to speak—

Some hon. Members: No.

Mr. Speaker: —because after the vote has been called, the Prime Minister may speak only by leave of the house—

Mr. Argue: No, Mr. Speaker.

Mr. Diefenbaker: It has no reference at all to this matter. I rise on a question of privilege.

Mr. Speaker: Would the Prime Minister give me an opportunity to consider this? Standing order No. 8 provides that when hon. members have been called in preparatory to a division no further debate is permitted. As I understand it, the Prime Minister was not rising for the purpose of debate but to raise a question of privilege. In our practice in the past I think the Speaker has not allowed any point to be raised in the course of a division but has dealt with it afterward, and that is why I suggested that the Prime Minister might have the leave of the house. I shall ask the house again if it is prepared to give the Prime Minister leave to interrupt the division.

Mr. Argue: All right: let us hear him.

Mr. Pearson: On that point, Mr. Speaker, if the Prime Minister interrupts the division by unanimous consent and makes a statement I assume that other hon. members will have an opportunity to comment on that statement at once, before the division is taken.

Mr. Speaker: In the circumstances, as there is not unanimous consent, I think perhaps the proper course to follow is to proceed with the motion.

The house divided on the motion (Mr. Churchill) which was agreed to on the following division:

Division

YEAS

Messrs:

Allmark
Anderson
Badanai
Balcer
Baldwin
Barrington
Baskin
Batten
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Best
Bourbonnais
Bourdages
Bourget
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardin
Caron
Carter
Casselman, Mrs.
Chambers
Charlton
Chevrier
Chown
Clancy
Coates
Comtois
Cooper
Creaghan
Crestohl
Crouse
Danforth
Deschatelets
Doucett
Drysdale
Dubois
Dupuis
Fairclough, Mrs.
Fairfield
Fane
Flemming (Royal)
Forbes
Forgie
Godin
Grafftey
Granger
Grenier
Grills
Gundlock
Habel
Halpenny
Hamilton (Notre Dame de Grace)
Harkness
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Jones
Jung
Kennedy
Knowles
Korchinski
Lahaye
Lambert
Leduc
Legere
Lennard
Lessard
Letourneau
Loiselle
Macdonnell
MacLean (Queens)
Macquarrie
MacRae
McCleave
McGrath
McIlraith
McIntosh
McLennan
McPhillips
McQuillan
Mandziuk
Martel
Martineau
Martini
Matthews
Meunier
Michaud
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nowlan
Nugent
O'Hurley
O'Leary
Parizeau
Pascoe
Paul
Pearson
Phillips
Pickersgill
Pigeon
Rapp
Regnier
Ricard
Richard (Kamouraska)
Richard (St. Maurice-Lafleche)
Rogers
Rompre
Rouleau
Rowe
Sevigny
Simpson
Skoreyko
Small
Smallwood
Smith (Calgary South)
Southam
Starr
Stearns
Stewart
Tardif
Thomas
Thrasher
Tucker
Valade
Villeneuve
Walker
Webb
Webster
Weichel
White
Woolliams—149.

NAYS

Messrs:

Argue
Herridge
Martin (Timmins)
Peters
Pitman
Regier
Winch—7.

Mr. Speaker: I declare the motion carried. The Prime Minister was rising on a question of privilege in the course of the division.

Mr. Diefenbaker: Mr. Speaker, earlier today there was some objection raised as to an alleged allegation on my part that what had taken place this morning had been designed to hold up the bill in the question. Any implication of that kind was the farthest thing from my mind. There was no design in that regard, and I want to make it unequivocally clear so there will be no misunderstanding whatsoever in that connection. After all, I would not suggest a design. I could think of a thoughtless result, but I am sure that a design cannot be and would not be attributed to hon. gentlemen.

Mr. Pearson: Mr. Speaker, I am glad the Prime Minister has dealt with this point of order which we on this side raised earlier with regard to imputations that we thought were made as to the motives for the point we raised in connection with the bill. It seems to me that if this withdrawal could have taken place earlier the whole unhappy business would not have arisen.

Mr. Argue: Mr. Speaker, naturally we accept the word of the Prime Minister when he says that he did not wish to impute to opposition members motives designed to hold up the progress of the bill in question. I think these remarks might better have been made much earlier, although they are acceptable at this time. If that had been done I am quite sure that the vote that has been taken would not have been necessary.

The rules of this house are important, Mr. Speaker. The rules of the house must be sustained if parliament is to carry on its business in a democratic way, but I suggest there is a well known practice and it is well established that rulings and decisions must be meted out fairly to all members on both sides of the house at all times. If I may venture to suggest something, Your Honour, I suggest that in considering statements by members of the house every effort must be made to consider the statements in the light of the actual words used, and that the consideration should not in any way be influenced by the person or the office of the person who uses the words.

Mr. Speaker: Order. The hon. member now seems to me to be addressing his remarks not only to the Chair but about the Chair, and I hope he will not continue in that vein.

Mr. Argue: All I was saying was that in dealing with members of the house an effort must be made—history and the record of previous Speakers show this—to deal with members on both sides of the house on equal terms and, Mr. Speaker—

[Mr. Speaker.]

Mr. Speaker: Order.

Mr. Argue: —the Prime Minister should have said earlier what he has just said.

Mr. Speaker: Order. I ask the hon. member to resume his seat if that is the substance of his remarks. The Minister of Veterans Affairs has the floor.

Mr. Churchill: Mr. Speaker, in introducing the second reading of Bill No. C-67, an act to amend the Pension Act, I am sure all members will wish to proceed with the second reading stage as expeditiously as possible in view of the fact that we had a lengthy discussion at the resolution stage and in view of the fact that as the bill is an amending bill it deals with a number of particulars which can be more readily discussed in committee. There is also the fact that after second reading of the bill it is my intention to move that the bill be referred to the standing committee on veterans affairs so the members of that committee may examine it in all its details and have available to them the expert advice of officials of the department in case there are any matters that require further explanation.

Without discussing the various segments of the bill I might, however, emphasize that its main purpose is to increase the pensions that are being paid to disabled veterans. I will just indicate the extent of the support which our country is giving the men who suffered disability in wartime. Reading from the annual report of the Department of Veterans Affairs for the fiscal year 1959-60, page 73, I note that for world war I the number of people drawing disability pensions as of March 31, 1960 was 47,845, and their dependents numbered 14,812. The total on the rolls for world war I is 62,657. In so far as world war II is concerned, the number drawing disability pension is 104,911 and their dependents number 17,546, for a total of 122,457.

The annual liability as of March 31, 1960 for both wars was $144,899,781. It might be of interest to the house to put on *Hansard* the figures with regard to service in the first and second world wars as well as Korea, and indicate the number who became pensioners as a result of these wars. The number who served in world war I totalled 619,636 men and women. Of these 110,000 became pensioners, and of these pensioners 56,002 have since died and 46,482 are still on the pension rolls. In so far as world war II was concerned there were 1,086,343 men and women who served. Of these, 124,401 became pensioners and 11,338 of these pensioners have since died,

leaving 105,294 who are still receiving pensions. In so far as the Korean war is concerned there were 26,791 men and women who served. Of these, 2,032 became pensioners and 49 of these pensioners have since died, leaving 1,636 who are still receiving pensions.

Each year the pension commission, pursuing a constant task, has found it necessary to add people to the pension rolls. During the fiscal year 1959-60, 219 new pensions were awarded to veterans of world war I; 1,981 new pensions were awarded to veterans of world war II and 62 new pensions were awarded to veterans of the Korean war. Of course each year the number who die and pass off the pension rolls increases. So far as world war I veterans are concerned, they are passing off the pension rolls now at the rate of about 2,500 per year.

The problem, however, continues and will continue for many years, and the financial obligation undertaken by the people of Canada is as I have indicated. It was a larger burden on the country some years ago when our population was smaller. In 1930 the financial obligation for pensions was about 9 per cent of the total government expenditures. In 1960, with the great increase in government income and the great increase in government expenditures, the pension commitment represented 2 per cent of total government expenditures.

The bill before us, Mr. Speaker, indicates an increase of approximately $30 million. It deals with all categories who come on the pension rolls, graduated according to the percentage of disability from 100 per cent down to 10 per cent. The bill deals also with the dependents of pensioners and with additional pensions for children. It would be improper, perhaps, to deal in detail with each one of the changes that have been made in these various categories. This can be done in committee. The bill as printed indicates quite clearly the new scale of pensions and gives a comparison with the old scale. Most of our pensioners are below the 50 per cent rating but there are, of course, large numbers who are in the heavier disability classes from 50 per cent up to 100 per cent.

We hope that through this measure the payments to our disability pensioners will be kept somewhat in accord with the general increase in the cost of living that has occurred over the years, and that they will be placed in a position where they are able to look after themselves, as they all want to do, without being dependent upon other sources for support.

As I mentioned yesterday, the contribution made by our disabled pensioners has been great. They will carry a burden all their lives from the service they performed, and the people of Canada try to compensate them in part for some of that burden by the pensions that have been in operation over the years and by the increases which we are now presenting to the house.

I hope the house will accept the suggestions in this bill, examine it with care in the standing committee and in committee of the whole when the bill comes back to the house, and pass it as early as is conveniently possible. Then the bill can go to the other place for consideration. I commend Bill No. C-67 to the consideration of the house, and I hope it will meet with general approval.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, on second reading we debate the principle of the bill. The principle of this bill is the same as that of the resolution which preceded it and to which we have already given unreserved support. It would seem unnecessary to repeat what we have already said at the resolution stage. We have not had this bill in our hands long enough to study it and find out how the principle has been actually applied to the various categories of veterans and their dependents.

Here, Mr. Speaker, perhaps I should raise a point of order, because the bill which I have in my hand seems to be different from the one the minister has. Section 1 of my bill says:

> Schedules A and B of the Pension Act are repealed and the following substituted therefor:

There is nothing substituted therefor in my bill; it is just blank. On the following page the explanatory note states:

> Schedules A and B at present read as follows:

The schedules in my bill are those showing the present rates. Hence we are at a loss to know just what change has been made in the regular scales by this bill.

Mr. Browne (St. John's West): If I may, I should like to speak to the point of order that has been raised. If the hon. member looks at page 2 he will find the new schedule. It takes up the whole page.

Mr. Carter: I am grateful for the explanation, Mr. Chairman. I accept the correction.

We learn from the press that the percentage increase is somewhere about 20 per cent. That figure, of course, is a great deal below the figure of 33⅓ per cent recommended by the Canadian Legion. Perhaps this is all that can be afforded at the present time. However, we feel that the veterans will be grateful for even this increase, which is urgently needed in many cases. We are hoping that before too long it will be possible to increase the rates again in order to bring them up to the level recommended by the Canadian Legion.

I am glad to know that the bill is to be studied by the standing committee on veterans affairs. No doubt, as usual, many worth-while suggestions will be coming forward from that committee, and we hope the government and the minister will see fit to incorporate them into amendments to the bill now before us.

Mr. H. W. Herridge (Kootenay West): I wish to make a few brief observations on the bill. As the minister said, this bill to amend the Pension Act has as its main purpose the increasing of disability pensions. The representations recently made to the government by the Canadian Legion recommended that the rates payable under schedules A and B of the Pension Act be increased so that pensioners will regain the position of equality of income, as compared with custom guards, cleaners, helpers and army privates, that was in effect in 1920. In order to achieve that objective the Canadian Legion suggested that a 33⅓ per cent increase in disability pensions would be required.

However, in the bill we notice that the increase is only approximately 20 per cent. That figure is considerably below what the Legion and other organizations thought was necessary at this time in order to compensate veterans and their dependents for the increase in the cost of living and bring them more into line with the increase in wages and so on.

In that connection I would say this. While I am sure the increase will be welcomed by veterans and their dependents across Canada and by members of this House of Commons, it nevertheless falls considerably short, shall I say, of the amount sought by the veterans organizations and of the expectations raised in view of the use of the word "substantial". Of course, Mr. Chairman, that is a relative term. The word "substantial" can mean different things depending on whether you are on the paying end or on the receiving end of any question. It can have different meanings to different people, of course.

I also noticed that in the bill there are a number of other amendments which I am sure will be welcomed by the veterans organizations and by the veterans and their dependants. They are useful and purposeful amendments. However, there again we notice that a number of amendments recommended by the Canadian Legion, the national council of veterans and other veterans organizations have been, shall I say, overlooked. To that extent I presume there will be some disappointment.

When the minister was speaking I listened most attentively, as I usually do to the Minister of Veterans Affairs when he is speaking on veterans affairs. He mentioned that the percentage of the national income that was required to meet the obligations to veterans in Canada in 1930 was about 9 per cent, if I heard him correctly.

Mr. Churchill: Nine per cent of the national expenditure.

Mr. Herridge: That was my mistake; I should have said 9 per cent of the national expenditure. He also stated that the amount required in 1960 was about 2 per cent of the national expenditure. This clearly indicates that while there has been an enormous increase in our production, in tax collection and consequently in national expenditure, apparently the financial responsibility accepted by the federal government for the veterans and their welfare has declined to a considerable extent in percentage since 1930.

Therefore we must remember that in 1930, in the depression years, the government was able to afford 9 per cent of the national expenditure, according to the minister. We spent, in 1960, only 2 per cent. I think that is a rather good argument in support of the representations made by the Legion and other veterans organizations for the increase they requested. I think it is at least a clear illustration of the modest demands made by the Canadian Legion and of their responsible approach to this problem at this time.

During his remarks the minister paid to the veterans of Canada a tribute which we all heartily endorse. I will say little more at this time. I am going to conclude these few brief remarks because the minister has said that the bill is going to the veterans affairs committee, where the veterans organizations will have an opportunity to make their representations and their points and the members of the committee will have an opportunity to ask questions. I am sure that as in the past, as all members of the committee regardless of party have the interests of the veterans at heart, there will be the usual close study of this legislation and serious consideration of the representations made by representatives of the veterans organization. There is therefore, in my opinion, no occasion for a lengthy debate on the motion for second reading of this bill at this time.

The Acting Speaker (Mr. Rea): Is the house ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Rea): The question is the following: Mr. Churchill, seconded by Mr. Balcer moves that—

Some hon. Members: One o'clock.

Mr. Pickersgill: If I could be permitted to speak now, it will take me just one minute or two.

Some hon. Members: One o'clock.

Mr. Pickersgill: Very well.

Mr. Churchill: Could we carry on for five minutes, Mr. Speaker, and perhaps finish this business?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Rea): Does the house give unanimous consent to carrying on?

Some hon. Members: One o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I had no intention of speaking on the second reading of this bill and I should, of course, have made these remarks at the resolution stage. But I was out of the house yesterday when the hon. member for Saskatoon (Mr. Jones), the parliamentary secretary to the Minister of Veterans Affairs, spoke and it was only this morning that my attention was drawn to what he had to say at the resolution stage as reported at page 1886 of yesterday's *Hansard*.

I have no desire to enter into any kind of controversy with the hon. member or anyone else. The hon. member referred to a statement I had made the day before in which I had said, as reported at page 1867 of *Hansard*:

> It may well be asked what right have I to get up and say anything on this subject because from 1953 to 1957 I was a member of the government and was the representative in the government of the province of Newfoundland. While I admit all that, as my friend the hon. member for Burin-Burgeo, pointed out this problem was not brought to our attention at that time by these people.

I think if the hon. member for Saskatoon would look carefully at the preceding paragraph he would see that when I made that observation I was referring to the Newfoundland forestry corps, and that the letter to which he drew attention—which I must confess, quite frankly, I had forgotten having written—which I addressed to my then colleague, Mr. Lapointe, had reference to army veterans who had enlisted in the British forces, which I maintained in my letter ought to be considered as being tantamount to having served in the forces of their own country. I say this because the British forces were, at the time they served in them, the forces of their own country. On reading what the hon. member put on *Hansard* I recollected the circumstances very well indeed. I admit that I was somewhat irritated by the reply I received at that time, but that problem, of course, has been very largely rectified.

I do not know precisely—I confess it; I have no record to check—when the plight of the forestry corps was first drawn to my attention. The hon. member, I am sure quite rightly, pointed out that it had been drawn to the attention of the government before I was a member of it. I do not remember precisely; but it was brought to my own attention quite some time afterwards. However, I stand by what I said later at the resolution stage, that whatever the deficiencies of the previous government may have been in this matter—and personally I think there were deficiencies—I think those deficiencies should be corrected now with the least possible delay.

There is just one other point I want to add to reinforce again what I said the other day. I do not think that the forestry corps comes within the ambit of section 38 of the terms of union, but I do think it is not a matter of their rights under the constitution. It is a matter of the spirit of confederation and the proper assimilation, under the principles of natural justice, of these veterans who though they were not enlisted men served in exactly the same way, under exactly the same hazards as the Canadian forestry corps, who were enlisted men.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I have been very interested in following the debate of this matter for the last two or three days. I am impressed by the statements that have been made by hon. members on both sides of the house and the support that has been given to the legislation we now have before us.

But I am concerned about one matter. I am very concerned about something that happened earlier this day that would indicate that it may not be advantageous for the members of the house, for the members of the veterans affairs committee, or for the organizations that are interested in veterans affairs to have in the bill this clause which indicates that the act will only become law the first of the month following the passing of the bill. I would suggest that the government should amend this so that the bill will come into force on the day of first reading. If this is not done, it seems to me that the committee is going to be working against the end of February as a deadline to see that all readings of this bill are given prior to that date so this date of March 1 can be the qualifying date.

I suggest that this may be the result. It may not, but it may and therefore I think it is a bad thing if it prevents any organization making the full representation that they may wish to make in relation to any segment of this legislation. I am aware of the requests that have been made by many of the organizations, and I am aware that this bill does not completely satisfy those requests.

While I agree that it is more than people can expect—when they ask for something, they do not necessarily always expect to get it—I think they do expect the opportunity of preparing an argument to indicate that they would like, and for good reasons, more to be done than is being done, no matter how much that may be.

It is for this reason that I hope the government will give serious consideration to withdrawing that clause which puts a deadline in the bill, and will put in a very simple clause which would mean that this legislation would be retroactive to the day of first reading. If the government does not see fit to do that then there may be other methods open to me as a private member to try to accomplish it.

But I would strongly urge the government to eliminate any unpleasantness that may have arisen and any fear that may have been indicated in people's minds, that if the deadline of the end of this month were not met it would produce hardship and would eliminate the payment of the increase in pensions which the veterans need very, very badly. Also, this would afford full discussion in committee and other stages of this bill.

Mr. J. M. Forgie (Renfrew North): Mr. Speaker, with reference to this question of the act being retroactive, I think it should be made retroactive to January 1 this year instead of the day of first reading.

The Acting Speaker (Mr. Rea): I must advise the house that if the minister speaks now he closes the debate.

Hon. Gordon Churchill (Minister of Veterans Affairs): I just wish to say one or two words, Mr. Speaker. The suggestions which have now been brought to the attention of the house will, I think, be given very serious consideration by the committee. It would appear at this moment that there is ample time to conclude all other stages of the bill before the end of February. I am sure the committee when it considers the matter will give attention to the remarks which have just been made by hon. members on the other side.

In concluding the debate I want to correct what appears to have been a misapprehension. Remarks were made this morning to the effect that the Canadian Legion had asked for a higher percentage increase than is proposed in the bill. My understanding is that the Canadian Legion asked for an increase of 33⅓ per cent some time ago based on the situation which prevailed in 1956, and in the fall session of 1957 legislation was passed retroactive to July 1 of that year which raised the pension rates on a graduated scale. For the 100 per cent disability pensioner the increase was 20 per cent; for the married person with no children it was 17.6 per cent; for the pensioned widow with no children, 15 per cent; for the dependent parent it was 16 per cent. No increase was granted in respect of the children. The bill now before us makes an increase of 20 per cent across the board and a 33⅓ per cent increase for the children, so that over-all the increases suggested in the bill exceed the request made by the Canadian Legion.

Motion agreed to, bill read the second time and referred to the standing committee on veterans affairs.

SUPPLY

House again in committee of supply, the Deputy Chairman, Mr. Rea in the chair.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Immigration branch—

51. Administration of the Immigration Act, $1,388,640.

Mr. Badanai: I should like to make a few observations before this item is passed, and I should like to preface my remarks on this important and vital subject with a brief quotation from an editorial which appeared in the *Globe and Mail* of January 31, 1951. I shall use it as a text, because it wraps up the whole question in just a few words which I should like to see transcribed in large letters and placed, preferably, on the wall of the office of the minister of immigration. I quote:

> What Canada needs is a vigorous immigration policy, selective in the sense that it encourages those who are most likely to take advantage of the opportunities which Canada offers. These will not necessarily be persons who come here to work in a particular trade or profession; they will include persons of energy and initiative who are ready to build a new career in Canada by enterprise and hard work.

According to the Toronto *Telegram*, our present Prime Minister made the following statement on April 26, 1957:

> Increased population was required if Canada's development was to keep pace with her vast resources. A Conservative government would apply a vigorous immigration policy in co-operation with the provinces. The Immigration Act would be overhauled—"Canada must populate or perish".

That is a noble statement, and it is one which people who are devoid of prejudice

and who have at heart the interests of Canada and her development will, indeed, applaud. The people of Canada gave the right hon. gentleman a mandate to do just that, among other things which I intend to mention today, but nearly four years have gone by and no one has seen a vigorous immigration policy put into effect, nor have we seen a glimpse of the overhaul, so long promised, of the Immigration Act.

What did we see? It will be recalled that actions to restrict immigration were among the first acts of this administration when it took office in June, 1957. The right hon. gentleman's principal minister, that is the Minister of Finance, made the following observations in the course of the budget debate in 1958 and I quote:

> Population growth itself does not ensure progress, but in a country the size of ours it has a special significance. It provides a greater market for our agricultural produce and for the products of our factories and reduces vulnerability to changes in external demand. It brings us a greater diversity of talent and the means to employ it to better advantage. It reduces the per capita cost of supplying excellent services in this great land. There can be no doubt that the population growth of the post-war period has had these effects.

If the minister meant what he said, then I would assume he was not in favour of the restrictive measures which were imposed at that time. Now I come to what the minister responsible for immigration has been saying. Bless her heart, I rather like her. The hon. lady's heart was, no doubt, set on introducing changes to the act long before this, but I suspect that restraining influences have upset her earlier intentions which, indeed, have run very much counter to her frequently expressed conviction that unemployment is not increased by bringing immigrants into this country. Last year, during discussion of the estimates of her department the hon. lady promised a thorough revision of the Immigration Act but declared she was anxious not to bring in a half baked piece of legislation which would not stand the test of time. I wonder if this proposed legislation is about burned out?

At the present time Canada's immigration policy, if one can call it a policy, is based on a premise composed of two factors; first, the employment situation at a given time and, second, the racial composition of the country. In practical terms the present regulations mean that the government controls the flow of immigration from year to year and from month to month in accordance with estimates of the economic climate while at the same time favouring immigrants from certain countries. I think this is an unworkable and discriminatory practice, in addition to being unrealistic.

How can we reconcile declarations against racial discrimination with what is happening in Canada today when, in actual practice, though we do not reject people on an individual basis, we follow a policy of discrimination against whole nations? It is a policy which is indeed hard to explain, especially to friends in Asiatic countries. Take for instance, the case of Chinese refugees. That of the Japanese is not better. By and large these people make excellent citizens. Most of them are noted for their almost unimpeachable character. A few months ago I came across a news item which dealt with a tribute to a Chinese who ran for alderman in the city of Calgary. He topped the polls and no one will be surprised if in the future he is elected mayor.

Contributions in specialized fields have been made by countless newcomers from many lands. Take, for instance, the case of Mr. Ernest Hakka, an immigrant who came to Canada from Finland eight years ago. Since his arrival here he has invented a machine which will melt snow off city streets for 60 cents a ton, which ordinarily would cost $12 per ton to remove by truck. An appreciable number of Japanese live in Fort William and surrounding districts. It is a matter of record that their conduct as citizens is well above the average, and we could do with more of them. In an interview in Winnipeg two or three months ago the minister made the statement that:

> —fears of rising unemployment this winter will not influence the federal government to cut back its immigration program.

She then proceeded to say that:

> —every winter the government does its best to persuade immigrants not to come here during the winter.

I wonder what the hon. lady meant by persuasion? If she had said that immigrants were not allowed to come in the winter it would have been a statement closer to the facts. We have the government immigration policy for this winter, at any rate. Simply stated it appears to be a policy of not discouraging immigrants from coming to Canada. The government is just discouraging them, period.

The country needs a policy to encourage immigration rather than to discourage it. It is a matter of record that periods of peacetime prosperity and least unemployment have invariably been identified with a high flow of immigrants. The United States began a vigorous immigration program at a time when that country was poor and backward. The people they brought in without the restrictions and red tape now in use brought about

the great wealth and power which the republic to the south now enjoys. The same story is being repeated today in Australia.

West Germany, comparatively small in territorial size and very densely populated, received an influx of more than 9 million refugees from eastern Europe in a period of just a few years after the war and the flow is still continuing at a rate of more than 200,000 a year. Yet, notwithstanding the addition of this great number of destitute people, these immigrants turned out to be one of Germany's major assets in the rapid recovery of that country. Today the living standard of West Germany is higher than it has ever been and unemployment is practically non-existent.

I have often expressed the conviction that we are losing a good bet when we ignore the advantage of admitting immigrants who will settle on the land. On previous occasions I have indicated the success which several Dutch families have made in farming in the district of Thunder bay. As population increases and as more and more people flock to urban centres the need for an expansion of agriculture will become apparent.

Every person or family who will undertake to work and develop land suitable for agriculture—extensive tracks of virgin land are available, in my constituency, at least—will not only be choosing a sane and profitable way of life but will also be conferring a benefit on Canada, and since so few native born Canadians will take up farming as their life's work the only answer is to bring in willing hands, farm people from as many countries as possible and as many of them as can be induced to come.

Canada has the potential to handle at least a quarter of a million newcomers every year for an indefinite period of time. Let us now lay the foundation for a worth-while immigration policy which will give our country the shot in the arm she sorely needs.

According to the minister's recent pronouncement, future immigrants are to be selected according to skills and education. The minister has since denied having made that statement and her denial has been accepted. Immigration officials nevertheless appear mainly to favour university graduates. The forefathers of most Canadians came to Canada with anything but university degrees; indeed, they come with few skills and for the most part the degrees they carried were those of qualified hard workers.

It is true, of course, that with the present advance in technology, heavy physical work is no longer the predominant occupation of our labour force but if we are going to open up our northern frontiers—more popularly known as the northern vision—we will need many hardy pioneers of a fibre which will stand up to northern hardships. It will be easier to attract newcomers to these areas than it will be to find among our native Canadians the necessary number of people to develop the north.

Premier Frost of Ontario speaking to the good roads association annual meeting on October 20, 1960 said in part:

> Canada is only at her beginning of opportunity and a greater and more useful population is essential to this country if these opportunities are to be developed.

At this point I should congratulate the minister on the excellent address which she delivered on January 26, 1961 to the Winnipeg real estate board on the subject "How the Immigrants Are Helping Canada".

Some hon. Members: Hear, hear.

Mr. Badanai: I gather from the applause that other hon. members have already read the statement but if there are hon. members of this committee who have not read the address, a copy of which was furnished to me, I commend it to their attention because it is a good document and my unreserved congratulations are extended to the minister.

In addition to the pertinent facts pointed out by the minister in her address concerning the contribution to Canada made by immigrants I wish to add a word about the tremendous purchasing power which our new Canadians have infused into the Canadian economy. Newcomers to our shores since 1946 have created a new market equal to a city of the size of metropolitan Toronto. I venture to say that the success of many businesses in the future may well rest in large measure upon their ability to attract these new customers, especially since these new arrivals happen to be in the age group of buyers who make large expenditures. According to reliable estimates 282,164 men, women and children from 50 different countries were admitted to Canada in 1957 which was the greatest year of immigration since 1913. These immigrants created in one single year a consumer demand of approximately $200 million.

The eventual need for motor vehicles and household appliances in one single year may exceed, in round figures, 60,000 automobiles, 70,000 radios, 60,000 washing machines, 60,000 refrigerators, 60,000 sewing machines, 40,000 vacuum cleaners, 30,000 electric stoves, 30,000 television sets, 20,000 oil furnaces, 12,000 coal and coke furnaces, 4,000 gas stoves and 4,000 home freezers, to say nothing of the need for housing which will give a great boost to the housing industry. Each of these people creates a demand for new housing.

You will agree, Mr. Chairman, that this is an impressive list of consumer goods running into many millions of dollars and employing thousands of people in producing them. These are, I repeat, estimated requirements of only one year's influx of immigrants, and there is every reason to expect that this market will be renewed year after year. Unfortunately the only immigrants allowed into the country since 1959 were, with some exceptions, mainly dependents who joined relatives already established here and some workers who came over to take sponsored employment.

The present selective system is not designed to populate and develop Canada. When a government rejects willing and healthy persons it is becoming too selective with the inevitable result that it will retard the economic expansion needed now more than ever to re-establish a climate of confidence and prosperity in the country.

Economists have been saying that there is no connection between immigration and unemployment. A recent analysis of immigration and unemployment made by the Canadian Labour Congress established the opinion that immigration cannot be considered a factor in the present high unemployment situation. In other words, it discounts the notion that today's unemployment is the result of the number of immigrants admitted in recent years. This is an important admission by labour since some of their pronouncements in the past have not been too favourable to immigration.

I was very much interested in what the minister had to say last night about her policy of flexibility in view of the rigid formula of the present act and her statement that before long amendments to the act will be introduced. Her flexible attitude on the interpretation of the present regulations is very commendable, and I would urge that this flexibility be extended to allow prospective brides of Canadian citizens, which brides live in European or Asiatic countries, to be admitted without undue delay. I have known of cases in my own constituency where long delays have caused considerable distress to young people in love and, as you know, lovers are a rather impatient lot.

I listened with more than passing interest to the valuable suggestions made by the hon. member for Bonavista-Twillingate, a former minister of citizenship and immigration, who on occasion does not hesitate to admit mistakes made under the act relative to restrictions when he occupied that position and who has also stated that immigrants admitted from nearly every country in the world and their descendants have made their contribution to Canada as good Canadians. That was a really fine statement.

I have indicated at various times that I favour a more generous and positive immigration policy but I wish to point out that at no time have I advocated an open door policy. However, the need for revision of our thinking with regard to the number of new citizens Canada can absorb in each calendar year should be quite in order. The basis for selecting a new immigrant should not be national origin or academic accomplishments, desirable though they may be, but rather his character and willingness to work. I wish to conclude my brief remarks with another short quotation from the editorial page of the often quoted *Globe and Mail*. It is in these words:

> What Canada offers today is room and scope for the person of adventurous ambition, and we shall not select them—they will select us.

Mr. Regier: Mr. Chairman, I have a limited number of matters that I should like to deal with at this time. I should like to refer the minister to the speech from the throne on November 17 last in the concluding paragraph of which I note the following pledge:

> The estimates of amounts required for the public service and the payments authorized by parliament will be laid before you. These will include an appropriation for the work of the royal commission on government organization which has been recently established to recommend improvements in the organization and methods of operation of the departments and agencies of the government which it thinks will best promote efficiency, economy and improved service in the dispatch of public business.

This commission is commonly referred to as a Hoover-type commission along the lines of the Hoover commission which was so active across the border for a period extending over many years. I notice that in the immigration branch the minister is asking for a total of $13,294,321. This amount exceeds last year's total by $448,507 and there may be supplementary estimates which will add to the increase in the forthcoming fiscal year. What I should like to know is whether the so-called Hoover-type commission has yet investigated the operations of the immigration branch and if it has not whether the minister expects such an examination of this branch of her department to take place at an early date.

I do not have the statistics here but the number of immigrants now being allowed into Canada is only about half of what it was a number of years ago, and I wonder how the decline in the number of immigrants has been reflected in the annual amounts asked for by the immigration branch. When you divide the total of $13 million by some 100,000 proposed immigrants you arrive at

an overhead cost for the immigration branch approximating $130 for every man, woman and child and in the case of a family of five, which I am sure is a normal household, would run to $650. This seems like an extraordinarily high overhead.

I notice that there are some 2,000 employees in the branch and 100,000 immigrants divided by 2,000 means that the average immigration officer, if he alone is involved in the processing of an application, is only able to accomplish the necessary work involved at the rate of one per week. I would not have the feeling, if I were an immigration official, that I was operating at the height of efficiency if I averaged only one immigrant each week. I should like to ask the minister, in the light of the fact that the number of immigrants was only half what it was in other years, has there been any drastic reduction in the amount of money requested for the operation of the branch. Has the operation of the branch been subjected to the government commission as we understood, by implication at least, all branches would be in the years ahead?

I should like to refer the minister also to another matter and to ask her for a report. I regret that I shall have to be out of the committee for about one hour, but I hope the minister will not forget and I can see the reply in *Hansard* if the reply is given during that hour. I noticed when the Prime Minister was speaking on the bill of rights on July 1, 1960 and as recorded at page 5646 of *Hansard* for that date—this is the only reference to what I am about to say that I can easily find but there were others which were even more distinct—the Prime Minister said:

> Mr. Speaker, that is very necessary. There will be some statutes in existence which will have to be changed and which will be interpreted accordingly.

The Prime Minister left an understanding with this house that if the bill of rights became law every order in council that existed at that time, every item of legislation that was in existence and every item of regulation of the various ministries would have to be carefully reviewed in order to ensure that they complied with the spirit and intent of the bill of rights. I believe the minister has continually denied that any of the regulations of her department violate the bill of rights. We have contended that these regulations are based, in part at least, on racial discrimination. I should like the minister to indicate at this time whether the regulations of the department have yet been reviewed by some department or officer of the government to ensure that they do not continue to violate the intent and spirit of the bill of rights that was enacted last year.

[Mr. Regier.]

I am asking the minister in effect, therefore, whether her department has been submitted to the Hoover-type commission for scrutiny and whether any of the regulations, in particular, have yet been submitted to some department or officer of government to ensure that they comply with the provisions of the bill of rights.

Mrs. Fairclough: Perhaps inasmuch as the hon. member for Burnaby-Coquitlam has indicated that he will not be in the committee I might answer his questions now. To take the last one first, I think he would agree with me that it was new orders and acts which were to be reviewed by the Minister of Justice. I understand that any alleged variance with the spirit of the bill of rights or letter of the bill of rights is to be decided by the courts. In so far as existing legislation is concerned, we are taking a very hard look at it ourselves. I might add that that is one of the things that is holding up the introduction of the new act. We are being very careful indeed to make sure we do nothing that would in any way run contrary to either the letter or the spirit of the bill of rights.

Now with reference to the increase of $448,500 which my hon. friend noted, I might tell him that $410,000 of this is the result of increases in wages and salaries. If he will refer to the details on pages 144 to 151 he will find therein the notation that we actually, within those votes, have one less employee than we had previously. As he knows, however, there have been pay increases during the past year which have necessitated this additional amount of money.

It is impossible to break down the costs of immigration according to the number of immigrants who are landed because, in addition to those who come into this country as immigrants there are many people who come as visitors. All of these people have to be examined. There are businessmen coming into this country all the time. There are returning Canadian citizens, and there are 58 million border crossings. All of these people have to pass through the hands of the immigration department. It is, therefore, clearly improper to try to divide the number of landed immigrants into the cost and say that costs are rising because there are fewer immigrants and there is an increase in the cost of administration.

We have been very careful to keep the costs at a minimum. I do feel that if the costs could be broken down completely having regard not only to salaries and wages but the efforts of others which require remuneration, it would be found that the actual costs

have decreased. What increases there are—with the exception of Indian affairs—are entirely reflected in increases in salaries and wages, a matter over which we have no control departmentally. I think those were the only matters brought up by my hon. friend.

He has referred to the commission which is headed by Mr. Glassco. I can tell him that the deputy minister has been called to testify before this commission and we have been in communication with them. I do not believe for a moment that their investigation of the affairs of our department is at an end, in fact I think they have just touched the surface. We are most happy to co-operate with them. After all, this is a sizable department with some 5,000 employees. We are just as anxious as anyone else to see it streamlined to the extent possible consistent with proper service to the public.

Mr. Browne (Vancouver-Kingsway): Mr. Chairman, my remarks on this department will be very brief because I believe that the policy being followed by the department is very sensible and humane. I am really prompted to rise because of what I consider to be the rather incredible position taken by the Liberal party during this debate. It shows a complete lack of consistency or cohesion, just as is the case in so many other departments with which we deal. They have been up so many times complaining about unemployment in the country, and during those debates they profess to have great faith in what is said by the Canadian Labour Congress, which speaks for organized labour in this country.

However when something else seems to be politically expedient during the course of another debate, when they feel there might be some other group of voters to whom they could appeal, they take an entirely different course. Both the hon. member for Cartier and the hon. member for Fort William have complained about the reduction in immigration. They have complained, too, that the minister has said she has tried to discourage certain types of immigrant, particularly during the wintertime when jobs are rather scarce. I should like to bring to the attention of the committee what the Canadian Labour Congress has put forth as the official position of labour with regard to immigration. I think it should be put on *Hansard*. This is a memorandum to the government of Canada, dated January 22, 1959, and I am quoting from page 34 of that document:

> So far as the number of immigrants to be admitted is concerned, this cannot be as readily solved by using any one arbitrary figure. Obviously the figure that is good for one year may not be good for another. We are in agreement with the general economic immigration policy that the flow of immigrants should be regulated by the country's absorptive capacity. We agree further that to bring in immigrants during a period of high unemployment is to do an injustice both to the immigrants and to Canadian citizens who are looking for and unable to find work. As we have said before, organized labour is not opposed to immigration but it is opposed to bringing in immigrants when there are no jobs for them except at the expense of Canadian workers.

Mr. Pickersgill: That is exactly what I said last night.

Mr. Browne (Vancouver-Kingsway): The hon. member for Bonavista-Twillingate was certainly in a hurry to get to his feet and deny what some of his colleagues had said and I do not blame him for that because I am sure that the views which they expressed will not be very popular in this country. I do not blame him for wanting to get that statement on the record as quickly as possible. However, it is quite clear that he is not expressing the views of the entire Liberal party by any means.

Mr. Pickersgill: That is right.

Mr. Browne (Vancouver-Kingsway): I do not think the views that are being expressed by the Liberal party are going to be very popular. It is not a selfish thing I am suggesting but rather it is a humane thing to curtail immigration at times of unemployment and particularly during the winter. I am not suggesting it only as a protection for Canadian workers; I think it is a completely inhuman policy to bring in immigrants when there is no work for them and when it may result in such a struggle for them. We have had that experience too. We can recall that in 1956, when a period of unemployment quite evidently was approaching, the largest number of immigrants were brought in that had ever been brought into this country in one year and that action no doubt added to the great difficulties with which we were faced at that time. Subsequently, many of those people were faced with a good deal of hardship because they could not find employment and they were obliged to make their way back to their own countries.

I think it is quite clear that in suggesting some of these measures that have been taken to curtail immigration at times and for specific purposes, there is nothing selfish in any way about it but that it is actually as much for the protection of those who would come here as immigrants as for any other reason. Certainly as the country is able to absorb immigrants I am sure that all parties and all members of the house and the people of the country will want to welcome just as many as possible. Many of the various nationalities that have come here have made great

contributions to this country and they will continue to do so in the future. However, it is neither fair to them nor fair to Canadians who are here and who are unemployed to bring them in at a time when the country is not in a position to absorb them.

Mr. Pickersgill: I should like to reply immediately, Mr. Chairman, to some of the things that were said by the hon. member for Vancouver-Kingsway and I will deal first with the last thing he said. He talked about the number of immigrants brought into this country in the year 1956. I can tell the hon. gentleman that as to the immigrants that were brought in, the records of the department as well as statements made by the acting minister in 1957, which appear in *Hansard* in reply to questions and everything else will show that the immigrants who were brought in in the year 1956 had no difficulty whatsoever in finding employment. In fact in the winter of 1956-57 there was not even the normal amount of seasonal unemployment in this country and no restriction was put on the movement of immigrants that winter; in fact the situation was quite the reverse.

What is more, the unemployment figures which have often been given for the month of June, 1957, when the previous government went out of office, indicate quite clearly that the level of unemployment was so low that it was what is usually regarded as full employment. Therefore, these statements that have been made are completely and entirely at variance with the facts that have been placed on the records by members of the present administration since they took office and before they realized the situation was changing.

It is true that after the beginning of 1958, when there was a good deal of unemployment, instead of trying to deal with the problem as they should have done and as it was their duty to do, members of the government from the Prime Minister down tried to find someone else to blame for unemployment and they have been doing that ever since. But I might remind the hon. gentleman that in the 1957 election campaign the Prime Minister was so unaware of the fact that immigration was causing unemployment that he promised to triple the immigration which the Liberals were carrying on at that time, as shown by a quotation put on the record by the hon. member for Fort William.

Of course, the Prime Minister was rather selective with regard to the localities in which he made these statements. He made them mostly to people at ethnic organizations and to their organizations but he did not go out and make them in the rural parts of Ontario where some of his friends were going around and complaining about what the previous government had done in the great crisis in Austria in 1956, the great Hungarian movement which, as the hon. lady pointed out last year when I asked her a question, had been an entirely successful effort. When I asked her a question she pointed out that so few of these Hungarian immigrants, most of whom came out without anything except the clothes on their back, have need of help from the government that no separate statistics were being kept of the number.

Mr. Browne (Vancouver-Kingsway): They put Canadians out of work.

Mr. Pickersgill: The hon. gentleman now says that they put Canadians out of work. The minister did not say that in the speech she made in Winnipeg that was quoted by the hon. member for Fort William a few minutes ago.

The other thing that touched me particularly about the hon. member for Vancouver-Kingsway, who talks about one Liberal expressing one set of views and another Liberal expressing another set of views, is this. He obviously did not consult with his neighbour the hon. member for Vancouver-Burrard. Had he done so he would have found out, unless that hon. gentleman is talking differently from the way in which he talked a short time ago, that this was a brutal, inhumane department staffed with bureaucrats who were not fit to be in the public service. That is how that hon. gentleman got into this House of Commons, namely by the most shocking misrepresentation of a situation which the hon. member for Vancouver-Kingsway knows very well and which provided a legacy that the hon. lady was obliged to deal with somewhat later.

The hon. gentleman talks about their being difference of view in the Liberal party. Of course there are differences of view in the Liberal party and we are not ashamed of those differences of view. However, there is no difference of view about this one basic fact namely that immigration is necessary for the healthy growth and development of this country. But you must have the two things proceeding hand in hand, namely the growth and the immigration.

A proper and well worked out immigration policy can contribute to growth. But if the growth does not take place, confidence is destroyed. If there is a depressed condition in the country it will be impossible, whatever immigration policy there is, to attract immigrants to the country because whatever one may or may not think desirable, immigrants seeking work are not going to come to a country in which there is not any work. I do not think anyone would argue

about that statement at all. Our view is that the sooner we get back to a government that knows how to administer this country and its finances, to restore order with regard to business and employment and to get back growth once more, the sooner we shall have healthy immigration. Until we do the one, we shall not have the other.

Mr. Crestohl: I have two questions to ask the minister. The figures indicate that since 1957 there has been a great decline in immigration into Canada. It will be of interest if the minister will offer some explanation as to why that decline in immigration took place since 1957.

The second question I should like to ask her is this. In speaking yesterday about the revision of the act she mentioned that she did not want to bring into the house a half baked instrument. I should like to ask the minister whether the result of her culinary art will be ready for serving to the house before the end of the present session.

Mrs. Fairclough: Mr. Chairman, of course I cannot answer the second question. I have hopes. But with regard to the decline since 1957, of course my hon. friend will agree that 1957 was a most abnormal year.

Mr. Pickersgill: In many ways.

Mrs. Fairclough: There was—as I think the hon. member for Fort William said—the largest influx since 1913. It was about twice as much as the average in the last 10 or 15 years. I claim no credit for the views which have been expressed by more than one economist to the effect that when you have a year in which you have a tremendous influx for one reason or another, you thereafter have a digestive process which goes on for a period of time. This is because, as is obvious, the motivation for the abnormal influx brought with it many immigrants who in the normal course of planning would have come in subsequent years, but for reasons which might be personal, which might be economic or otherwise, they accelerated their plans in order to take advantage of certain circumstances or avoid others and consequently came perhaps two or three years ahead of the time they had normally planned to come.

In the subsequent period, of course, those persons were already in Canada and the ones who were left formed the retinue of the group that had come originally in the boom year. That is the only explanation I can offer, other than that in the subsequent years of course, in so far as Europe is concerned, we all know that economic conditions were very bright, other conditions were favourable, and people do not move away from what is to them a satisfactory condition.

Despite that we have had respectable numbers coming out to Canada. I do not lay claim to any great success in the matter of numbers. I will say that we have not encouraged people to come forward who had little chance of settling in Canada without difficulty. It would not be fair to them; it is not fair to the Canadians who are here.

I think the original explanation of the great influx resulting in a digestive process for two or three years is coupled with the economic condition of Europe and is quite likely the answer to the question.

Mr. Crestohl: Could the minister say whether there were fewer applicants in those recent three years than there were before?

Mrs. Fairclough: I think I would be safe in saying that is the case. There may be one or two countries where this does not apply and where the number of applications increased substantially, but with a couple of exceptions I would say yes, there were fewer applications.

Mr. Pickersgill: Mr. Chairman, I would like to give the minister an opportunity, because I think it would be very helpful to have this on *Hansard*, to make a statement—not a lengthy statement, but a simple one—about the conditions under which students from other countries are allowed to attend Canadian universities. I think there has been a good deal of misunderstanding about this subject and I think it would be helpful to many hon. members to have something authoritative on *Hansard* so that this matter could be dealt with.

Mrs. Fairclough: I had anticipated some interest in this subject, but I do not seem to be able to lay my hand immediately on the notes I had. However, I think I can do very well from memory.

Mr. Pickersgill: I have one or two other questions, if the minister would like to look for her notes in the meantime.

Mrs. Fairclough: I think I can answer the question. Apart from those schemes like the Colombo plan or some of these other scholarship schemes under the United Nations, the students who come forward to Canada are first of all, of course, required to be accepted by a university, a degree granting educational institution. If they are going to be here for more than a year they are required to submit to medical examination. They are also required to give evidence of their ability to pay their fees and maintain themselves

while they are here without engaging in either full or part-time employment.

There has been some misunderstanding with reference to the seeking of employment by some of these students. If the employment which the student seeks is in line with his course of study, if it is something that contributes to the education which he is seeking, such as internship in the case of doctors, or possibly work in a library in the case of a person pursuing that type of course, and if that employment does not take a job away from a Canadian who is dependent upon it for his livelihood, then the student is granted permission to accept that employment.

This is far removed from the student who is possibly taking a pre-med course and goes out and takes a job driving a truck, thereby putting some truck driver out of a job. This is the type of thing we try to avoid. I hope I am making myself clear. If the employment is in line with his course of study, he is granted permission to take it.

However, we must come back to the original condition under which he came into the country, and that is that he had attested to the fact that he had sufficient funds to maintain himself and to pay his fees during the course of study.

Mr. Pickersgill: There are no restrictions on the travel of these students in Canada, are there? There were what turned out to be some quite erroneous stories to that effect. There are no other restrictions on the movement of students throughout Canada, are there?

Mrs. Fairclough: That is true; there are absolutely no restrictions. Of course, if a student comes here to attend the University of Manitoba and decides to quit his course there and go to McGill, we like to know where he is and we would ask him to report to us in that respect.

Mr. Pickersgill: Who would go from the University of Manitoba to McGill?

Mrs. Fairclough: Vice versa, then. Since I have agreement on both sides of the house I had better go along with it. But in so far as casual travel, holiday travel or any other kind of casual travel is concerned, there are no restrictions at all.

Mr. Pickersgill: I think the minister received some time late in July, when I think most other members received a copy, a memorandum from the Japanese Canadian citizens association making certain representations respecting relatives of Japanese Canadians. Could the minister say what attention has been paid to these representations and whether any change has been made in the situation?

[Mrs. Fairclough.]

Mrs. Fairclough: I think there were 12 cases involved, if I am not mistaken. We have undertaken a complete review of them. Some of them have now been admitted; the others are under review.

Mr. Pickersgill: I take it that in the case of the relatives of Japanese Canadian citizens, in the case of the categories of relatives who apply in that country, there is no other restriction of any kind; there is no restriction as to age?

There were certain cases that I am not very proud of, and I have never pretended to be, where Canadian citizens of Japanese origin renounced their citizenship in 1945 or 1946 and went back to Japan. Notwithstanding that fact there would be no bar today to their admission to Canada, if they were otherwise admissible, would there?

Mrs. Fairclough: Oh no, there is not. I might say, harking back to this brief, the majority of these cases had never before been reported to the department. It was all news to us, and consequently we hurried the investigation. But I think in several of those cases it was just a matter of being known in the Japanese community and they had not made the proper application for consideration.

Mr. Pickersgill: Has there been any thought given to the re-establishment of the gentleman's agreement or to the establishment of any quota or other arrangement of that kind for Japan? Perhaps I might take this opportunity to ask a related question on this subject. The minister will remember that the last time her estimates were before the committee there was some question of Japanese technicians going into Saskatchewan in connection with the establishment of an industry. Can the minister tell us if there has been any development in that field?

Mrs. Fairclough: With reference to the last question, this matter is still pending. We have had some discussion with the ambassador but the scheme has not yet come to fruition.

We have had no representations at all with reference to the other matter which the hon. member brought up, the reinstatement of these people. I would agree with what my hon. friend said last night that in so far as quotas are concerned I am not one who thinks they will solve the problem. I doubt very much whether any quota for Japan would solve any problem which exists there. However, we are on very friendly terms with these people and would give full consideration to any representations which might be made.

Mr. Pickersgill: Of course, as I have said over and over again, I would not be in favour of any general quotas but I could

hardly agree that the gentleman's agreement did not for a long period of time meet a very real problem. I am not suggesting for one minute there is any reason we should take an initiative in this matter, if the Japanese government, or the Japanese themselves do not show any interest in the question.

But the minister is aware of the fact, and everyone is aware of the fact, that Japan is already our second largest customer for wheat, notwithstanding the spectacular exploit of the Minister of Agriculture the other day, and probably a more reliable market than the one the hon. gentleman found on that occasion, or at least we hope it is a more reliable market. It is a market which needs to be cultivated. Anyone who looks at the world situation in wheat today is bound to see that we should certainly look upon any new or expanding market with a jealous eye, and I think that any initiative we could reasonably take which would result in an orderly and progressive expansion of our commercial and other ties with Japan would be very valuable, looked at purely from the point of view of Canadian interest. I am sure that the hon. lady and her colleague the Secretary of State for External Affairs would not be insensible to the importance and the political implications of maintaining the contact between Japan and the free world on the most harmonious basis possible.

Mrs. Fairclough: May I assure the hon. member that discussions are proceeding on a most amicable basis. What the ambassador is pursuing with us is not so much the question of immigration as the extension of non-immigrant visas and schemes by which such extensions might be given.

Mr. Southam: We have a situation developing in my riding which could possibly exist in other boundary areas just adjacent to the United States. Quite a number of American friends, citizens of the United States, have been coming into Canada, bringing their agricultural implements with them, and leasing land and farms adjacent to the international boundary. I think this situation has developed in the last several years due to the agricultural policy being followed in the United States where certain regions have been classified as coming within the arrangements for the soil bank system. The operation of this system has left a good deal of spare time on the hands of American farmers who, it must be remembered, have a lot of money invested in machinery. As a result of the fact that they are not farming their own land they have come to Canada and have been leasing fairly large tracts of Canadian farm land. Sometimes they have even been bringing in American help with them.

I am wondering whether this situation has been brought to the minister's attention. I have had a number of inquiries about it but I have been unable to discuss the situation too intelligently because it is something which has developed only recently. I do know that there is a certain amount of concern in the minds of merchants and business people along the line because they find that our American friends stay here for only a short period of the year before going back across the line.

I am wondering whether any plan exists to encourage these people to come in, and possibly, to become permanent residents. We talk about the desirability of increasing our population, and this is a region where large tracts of land are available. It seems to me these people should be encouraged to become permanent residents rather than temporary visitors.

Mrs. Fairclough: I think that in his last sentence the hon. member has probably hit on the only aspect of the problem which would affect my department. I would not like to say whose responsibility the rest of the problem is, but it certainly does not affect this department in any way. As far as residence is concerned, I do not think we have the facilities to coerce these people in any way. Possibly the neighbours in the vicinity could do as much as anyone to welcome these people and suggest to them that they might become landed immigrants.

Mr. Crestohl: I want to ask a question which may be somewhat academic. I am addressing myself to section 20 of the act. In section 20 (a) (b) (c) the language says "a person who is a British subject by birth or naturalization". But in (d) the language merely refers to a person who is a subject of a country; it does not say "by birth or naturalization". Perhaps there is some reason for expressing the section in this way but I cannot understand what other form of British subject you could have other than by birth or naturalization. My point is this: why use both terms, and then only one term in subparagraph (d).

Mrs. Fairclough: I am afraid I cannot answer that. There is such a thing as registration. I do not like section 20, and I have said so before. This is one of the things we propose to deal with.

Mr. Pickersgill: Perhaps I could answer the question. As the hon. gentleman has said, in describing me before, I am the genius. Originally that section read "citizens by birth" and it was amended to read "birth

or naturalization". The other section was never amended. This is purely historical. It was the quickest and shortest way to amend it, and until the hon. gentleman mentioned it, the rather idiotic aspect of it had never occurred to me. It would have been much easier to amend it by striking out "by birth". If the hon. gentleman had been my legal adviser, undoubtedly that is what would have been done.

Mr. Crestohl: I should like to thank the hon. member who has just taken his seat. Perhaps this is a good opportunity for me to point out to the minister further emphatic reasons why the act needs revision at an early date.

Mr. Pickersgill: I have another inquiry or two to make of the minister before the vote carries. I have in my hand a clipping from the October 7, 1960 issue of the Vancouver *Sun*, a newspaper of which I am sure the minister is very fond. It shows a picture of three very handsome young men and says, "Yugoslavs Expect Punishment—Canada to Return Deserters". I am not going to read the whole article but the last paragraph states:

> A spokesman for Empire Shipping Company, the agent which was asked to arrange deportation of the deserters, said the men would leave on the freighter *Goranka*.

There are two or three questions I should like to ask the minister about this. First of all I should like to ask if that great humanitarian, the hon. member for Vancouver-Burrard, made any attempt to keep these deserters in Canada. Knowing what a great heart he has and how concerned he has been over people of this sort, I should be interested as a matter of history to know whether his interest in people of this kind subsists. If so, was any attention paid to the hon. member's representations?

The next and much more serious question I put to the minister is this. Were these young men deported and did the department check up to see whether they did in fact have any punishment inflicted on them as a result of the deportation, if it took place?

Mrs. Fairclough: Mr. Chairman, we have no means of checking on their subsequent fate. Two of them were deported and the third one disappeared, as sometimes happens. He has not yet come to light but no doubt he will. I would have no way of knowing whether any representations had been made by a particular individual in a given case without looking at the files. I think that probably answers the hon. member.

[Mr. Pickersgill.]

Mr. Pickersgill: The hon. lady does too little honour to her colleague the hon. member for Vancouver-Burrard. He is not the sort of person whose representations one forgets. However, I recognize the hon. lady's embarrassment—

Mrs. Fairclough: I am not embarrassed.

Mr. Pickersgill: —and I will not press that point further.

Mrs. Fairclough: I do not embarrass that easily.

Mr. Pickersgill: I am quite seriously concerned. As the hon. lady knows it was the practice in the department, and I hope it still is, not to deport people to countries where it was thought that they would meet with serious penalties as a result merely of desertion from a ship. I do not know whether that would now be the case in Yugoslavia. I can readily understand a deserter saying it would be and that that would not necessarily make it a fact, but I should not like to think that the department did not satisfy itself that that was highly unlikely to happen before a deportation took place.

Mrs. Fairclough: We really were pretty well satisfied, Mr. Chairman. In fact, one of the young men was not at all reluctant to say he wanted to go back. I do not think they would meet with any serious punishment on their return to their homeland.

Mr. Pickersgill: I have here a clipping from the Windsor *Star*. I suppose I really ought to apologize for bringing this up because it goes back to last July and I ought to have dealt with it when the estimates were before us the last time.

Mrs. Fairclough: This is wonderful. This is the first one I have heard since 1959.

Mr. Pickersgill: The first one from the Windsor *Star* since 1959?

Mrs. Fairclough: No, the first one that has been quoted from 1959 in this debate.

Mr. Pickersgill: I must have mislaid my clippings for 1960. In any event, this has reference to a subject that was aired considerably in the last session of parliament when the question came up of delays at Quebec as a result of the examination of people at the new immigration building there as opposed to examinations on board ship. As I had a good deal to do with the decision to build the new immigration building in Quebec I should be quite interested to know just how it is working out, what the arrangements are and if all the difficulties about which I have heard nothing for a long time, have been cleared up?

Mrs. Fairclough: My hon. friend has heard nothing because there do not appear to be any difficulties.

Mr. Pickersgill: That is what I rather hoped.

Mrs. Fairclough: We had, of course, a flurry of them at first, probably because it was a new arrangement, but when statistics were actually compiled it was found that less time was being taken by landing at Quebec. We have a system under which we examine returning residents on board and the others in the centre there. After a little while the irritation wore off and now we find things are operating quite smoothly.

Mr. Pickersgill: The minister last year was kind enough, in response to a motion which I undoubtedly could put on the order paper again, to table a copy of the occupational counselling guide. The one I have in my hand is for the period April 15 to May 15, 1960. I wonder if she would mind making available the latest copy of this document if it is still in use.

Mrs. Fairclough: We have not used this particular form since last August. The current system is by way of memorandum outlining what the situation is in various parts of the country.

Mr. Pickersgill: Would the hon. lady furnish a copy of the latest memorandum?

Mrs. Fairclough: I would have to inquire about this. It is a departmental document.

Mr. Pickersgill: So was this.

Mrs. Fairclough: It does not issue entirely from the department. However, I shall look into the matter. I would rather think the answer would be yes but I would not want to definitely commit myself.

Mr. Pickersgill: I do hope the answer is yes because I should not like to think that this proliferation of secret documents of which some of the hon. lady's colleagues seem to be so fond has extended into her department in this particular field.

Mrs. Fairclough: I might add that the reason for my reluctance in committing myself on this matter is that the document we are now using is not really a document of the Department of Citizenship and Immigration but emanates from the national employment service. One of the reasons why we discontinued the occupational counselling guide was that we were getting to the place where in many cases we were slightly out of step with the national employment service and now we are using their documents.

Mr. Pickersgill: That, of course, brings up a perennial question. I am sorry the hon. member for Vancouver-Kingsway has temporarily left the chamber because I should like to ask him if, since he seems to be so much in agreement with the Canadian Labour Congress, the hon. member supports their view that the placement service of the immigration branch should be discontinued and transferred to the national employment service. I apologize to the hon. member for Vancouver-Kingsway. I see that he is sitting on the other side of the chamber. I wanted to ask the hon. gentleman if, as a great exponent of the views of the Canadian Labour Congress, he also concurred with their view that the placement service of the immigration branch should be abolished and its work transferred to the national employment service.

I know that the minister touched on this subject briefly last night. I think myself that the placement problem must be very different from what it was two or three years ago as a result of the decline in the number of immigrants and in the proportion of immigrants who are actually seeking the kind of employment that the national employment service offers. I am wondering precisely what is the relationship at the present time and whether indeed there would be room here for some further integration from which at the time I considered it I did not see that there was anything substantial to be gained, because there was quite a great deal of difference between the kind of activities and the kind of approach to the activities of the two organizations.

Mrs. Fairclough: Possibly I could enlarge a little on what I said last evening because I have here a copy of a letter which I had occasion to write in answer to this particular suggestion and perhaps I might take five minutes to read it.

Mr. Pickersgill: I think it would be helpful.

Mrs. Fairclough: The letter reads in part as follows:

> The suggestion is not new.

I pointed that out last night. I continue:

> It has been put forward several times since the national employment service was established and it has been reviewed and discussed on various occasions.
>
> Speaking historically, the department charged with the responsibility for immigration has always been responsible for the satisfactory establishment of immigrants in Canada, including their placement, as required. The immigration branch of this department is responsible for the implementation of government policy on immigration and the functions of the branch in this respect include: programming; recruiting, counselling; documentation; reception; distribution and placement; establishing the admissibility of immigrants; developing

settlement opportunities in rural areas as well as urban centres; and establishment of self-employed persons.

Reception is one of the most important phases in the implementation of the Canadian immigration policy. A dissatisfied immigrant, in addition to the problems he may cause in Canada, may through his letters home frustrate our future immigration prospects. Successful immigrants are our most important recruiting factors.

Initial placement is an essential part of the reception of the imigrant who is in need of services which are not generally provided to other Canadian residents through a government agency, i.e., locating temporary accommodation, financial assistance while awaiting employment, arrangements with employers to make advances of salary to meet the migrant's initial needs, explanation of immigrants' background and training to employers, interpreter services, etc. It is important for the immigrants to know that they have a service of the government to turn to in time of need for they are not, like other residents in Canada, aware of the multiplicity of services made available, and it would create confusion, disappointment and hardship if upon arrival they had to consult with several of the agencies of governments in Canada.

One important aspect is that a significant portion of the immigrants come to Canada to establish themselves in small businesses or on farms. The immigration branch has a program of guidance and counselling for these cases. Such immigrants are placed in employment which will acquaint them with Canadian methods of operation, marketing and buying practices, before they embark on their own enterprises. These cases are followed up by the immigration officers at regular intervals, and at the appropriate time the immigrants are given the proper counselling which permits them to establish their own business or purchase their own farm. One important factor of this phase of the immigration program is the relation of friendship and trust between the immigrants and the immigration officers.

It is not the department's policy to accept responsibility for the placement of immigrants who have been in Canada for more than a year. However, officials of the national employment service have been informed that they may always, if they so wish, refer problem cases to the immigration branch. This department is also responsible to assist indigent immigrants until they are eligible for municipal and provincial welfare benefits up to a period of one year after their arrival in Canada. It seems normal therefore that the officers of the immigration branch should make the necessary effort to place those who are unemployed instead of providing them with financial assistance.

The question of duplication between the immigration branch and the national employment service and the possibility of financial saving was considered in 1955 by the treasury board on instructions of the then minister of finance. It was established that if the immigration branch were to cease to look after the initial placement of immigrants this would not result in any financial saving, as the immigration branch must retain its staff to carry out other essential immigration services. The conclusion was reached that this service was essential to the reception of the immigrants and should remain as a function of the immigration branch.

Notwithstanding the importance of the placement service of the immigration branch in the reception of immigrants, it remains a fact that they are encouraged wherever possible to use the facilities of the national employment service and this is a general practice followed by immigration officers. In this connection the excellent co-operation received by the immigration branch from the national employment service must be acknowledged.

[Mrs. Fairclough.]

I think that describes the situation very well in so far as the thinking of the department is concerned.

Mr. Pickersgill: I have just one last question of a general character although on one of the other items I may have other questions. Would the minister explain precisely what the legal situation was, what the practice and administrative situation were with respect to the admission of Chinese fiancées at the time the present government took office and what precisely is the nature of the change made since?

Mrs. Fairclough: I do not think I could answer that right now. I was not the first minister of this department after the change of government, and I am afraid I cannot even recall from memory precisely what the situation was when I became minister. I do know that we have abolished the bond—

Mr. Pickersgill: Which was just a return ticket.

Mrs. Fairclough: —which we formerly required. I do know also that we have brought in by authority of order in council a great many Chinese fiancées. I must admit, as I think my hon. friend would, that in some cases, having regard to the difference in the marriage laws of the two countries, we are reasonably certain that we are bringing in wives but that is a matter, of course, that is a little difficult to establish. However, we have pursued the most humanitarian attitude possible and have attempted to unite these young people whenever it is possible for us to do so. From time to time circumstances arise where there is some doubt as to the bona fides of the principals.

Mr. Pickersgill: I was merely concerned about the changes that had been made.

Mrs. Fairclough: I could not set that out by chapter and verse from memory. I would have to investigate it because three or four years does things to one's memory.

Mr. Pickersgill: It is true, of course, as I am sure the hon. lady will agree, that fiancées were admitted when the previous government was in office, that at that time they were required to have a return ticket in case the marriage did not take place and that a return ticket is now no longer required. That is a change that was made by the present government and I acknowledge it right away. I have not examined the regulations any more than the hon. lady has but my recollection is that when I was the minister these applications

were considered as a matter of grace, each one on its merit; that the regulations had not yet been changed to admit them under the regulations and that therefore each case had to be dealt with by order in council but that the present government had changed the regulations so that they were admissible as a category.

Mrs. Fairclough: That is not true. The former situation still obtains.

Mr. Pickersgill: The former situation still obtains. What I am really trying to get at is that I have a statement in my hands that one of the acts of the present Progressive Conservative government at Ottawa was to modify the regulation respecting the admission of fiancées who are now permitted entry as non-immigrants and granted permanent status when marriage takes place. That statement is obviously in error.

Mrs. Fairclough: I would not say it is in error. What it refers to, of course, is the abolition of the bond.

Mr. Pickersgill: It does not say a word about that.

Mrs. Fairclough: It is perhaps a misinterpretation. I would not say it is completely in error.

Mr. Pickersgill: At any rate, the hon. lady does agree that these fiancées were admitted as non-immigrants before the present government came in and that when they married they were given permanent status.

Mrs. Fairclough: Yes:

Item agreed to.

53. Field and inspectional service, abroad, $2,298,599.

Mr. Pickersgill: I think it would be helpful if the hon. lady could give us the total staff in each of the offices abroad and the number of immigrants admitted through each such office in 1960.

Mrs. Fairclough: I do not think we would have that information yet. It is only a month since the end of the year. I would be very glad to procure it for my hon. friend at the first opportunity. I will see what we have here.

Mr. Pickersgill: Up to whatever might be the latest available date?

Mrs. Fairclough: I do not think we have the information in the form in which my hon. friend requires it, but I would be glad to get it for him. I should draw this to his attention or to his memory. You cannot always judge the production of an office by the number of immigrants who are admitted because in some of the offices there are a great many interviews that never result in immigration at all. They are casual inquiries. A person may be inadmissible for reasons of health, and he may come back several times before being finally passed by the health officer. However, I will procure the information for my hon. friend.

Mr. Pickersgill: I do have the impression that this may be one area in which there could be a considerable saving. I have no doubt this will be looked into by the investigating commission. I know that I did close one or two offices, and then subsequently opened them again when there was an increased interest in immigration. There are certainly one or two countries to my knowledge at the present time where we had offices the last time I checked—they may have been closed since—and where it struck me that the game was not worth the candle any longer. After all, in practically all of these places where we have offices, except one or two countries in which there is large scale immigration like the United Kingdom, the only office is in the capital of the country and we have a diplomatic mission there.

Notwithstanding the fact that I was once a third secretary in external affairs myself I am not convinced that the junior staff are so overworked that if there were an occasional inquiry about immigration they could not handle it, just as they do in some countries in South America. I agreed with the hon. lady's answer to the more general inquiry of the hon. member for Burnaby-Coquitlam because there is no doubt that the border crossings go on, and they go on in increasing volume every year. The bulk of the staff of the immigration branch is in Canada and does not deal with immigrants at all but with visitors and Canadians. These officers abroad are largely for immigrants.

I am not sure that it would not be possible, as a result of a really careful review, to use these officials somewhere else and allow the diplomatic staff to do the job, perhaps with an occasional visit from an immigration officer to deal with the difficult cases. It is hardly reasonable to maintain an office with four or five people, and all the other attendant expenses, and get 30 or 40 immigrants from that country during a whole year.

Item agreed to.

54. Trans-oceanic and inland transportation and other assistance for immigrants and settlers, subject to the approval of treasury board including care en route and while awaiting employment; and payments to the provinces pursuant to agreements entered into, with the approval of the governor in council, in respect of expenses incurred by the provinces for indigent immigrants, $2,100,000.

Mr. Pickersgill: Would the minister just explain precisely what is contained in this vote now? This was the vote under which we made provision, of course, for the very considerable expenses in connection with the movement of Hungarian refugees a few years ago.

Mrs. Fairclough: Of course, one of the things taken care of under this vote is family assistance and assisted passage payment of transportation for immigrants and settlers who require it from a provisional destination in Canada to another locale where employment is available; for the absorption of the differential in the cost of rail transportation from Winnipeg to points west of Winnipeg; a survey of potential areas for farm settlement in connection with provincial government land settlement schemes. There is a long list of these things, but I think that is a general description. It does not include assisted passage, but it does include these other items.

Mr. Pickersgill: It does not include assisted passage?

Mrs. Fairclough: No, that is from the revolving fund.

Mr. Pickersgill: This is perhaps the only place where we can properly ask a question about the state of the revolving fund. I think it would be desirable if the latest totals were put on the record so that we can see how this is working. Can the minister tell us at the same time whether it is still the practice to give an assisted passage loan to dependents as well as to wage earners?

Mrs. Fairclough: Yes, it is, Mr. Chairman. My officials do not have the figures here, but again I would be glad to procure them.

Mr. Pickersgill: There is no hurry about that. At the same time I would be very much interested in knowing whether it is still necessary to give assisted passage to settlers as opposed to immigrants and how many such cases there have been in the last three years. I do not know whether the hon. lady has really ever encountered that problem. Settlers are Canadian citizens.

Mrs. Fairclough: As indicated in the description of vote 54 which I read, we use these funds for taking settlers to different parts of Canada to explore the possibilities, and so on. In so far as assisted passage is concerned, I will see if we have that information.

Mr. Pickersgill: The hon. lady understands what a settler is from the point of view of assisted passage? It is a Canadian citizen who cannot qualify as an immigrant. We had to change the law a few years ago to put in the word "settler" so we could assist Canadian citizens. This is not a very important matter financially, but it is a matter of some interest.

I wonder if the hon. lady could tell us—it is probably in the annual report—how many persons are in receipt of family assistance at the present time.

Mrs. Fairclough: In so far as settlers are concerned, we do not have any figures as distinct from immigrants. There are approximately 27,000, in reply to the other question.

Mr. Pickersgill: That is 27,000 children?

Mrs. Fairclough: Yes.

Mr. Pickersgill: This would mean there are 27,000 children who have not been in Canada a year?

Mrs. Fairclough: That would be right.

Mr. Regier: I wonder if the minister could tell us how much the allowances are that are granted, and how they compare with the level of social welfare allowances being granted in the different parts of Canada to Canadians who happen to have exhausted their unemployment insurance benefits and have to live on welfare. How does an immigrant qualify?

Mrs. Fairclough: I am informed that the amounts are based on the provincial assistance rates and they vary from province to province according to the variations in the amounts stipulated by the provincial authorities.

Mr. Winch: Could we ask for an explanation as to how an immigrant who has not got employment qualifies for this assistance? I know I have read in the newspapers time after time, and I have had cases come to my attention, which indicate if you happen to come from a certain European country or come in a certain year, then you can get assistance. If you happen to come from the United Kingdom, then you have to get on your way back home. I understand the hon. member for Kootenay West has knowledge of cases like this, too.

Mrs. Fairclough: This is news to me. If my hon. friends want to give me chapter and verse I shall have the matter investigated. It may be that the individuals concerned did not make the proper application to the department or it may be that they had been in Canada for more than a year. We only assume responsibility up to one year. There certainly is no difference in so far as the United Kingdom immigrants are concerned and those from any other country.

Mr. Regier: I hope the minister was adequately advised when she intimated that the level of the assistance granted is identical

with that which happens to prevail with regard to social welfare cases within any particular province. This situation leads to some grave misunderstanding in Canada if an immigrant is in receipt of a higher level of what is in effect assistance of a welfare nature than is the local resident who may well be a taxpayer in the municipality. I hope the minister was accurate. In any event, I hope that she will ensure that in no case will this assistance exceed the assistance which will be available to Canadians who may be on our welfare rolls at the present time.

Mrs. Fairclough: There is no such intention. As a matter of fact, wherever possible we try to get the provincial authorities to assume responsibility for the dispensation of welfare benefits and then be reimbursed in turn from our department. We have not always been able to do that. The same thing applies with regard to unemployment assistance.

Mr. Regier: As the minister has adopted a completely adequate approach to this matter, all I can say is that I hope her wishes are going to be implemented in all areas of Canada.

Mr. Herridge: Following up the question raised by the hon. member for Vancouver East with regard to immigrants from the United Kingdom, may I say this. On one occasion I had come to me an immigrant from the United Kingdom who had been a major in the Life Guards, who came to this country, served in the second world war and, through some unfortunate circumstance had some extremely heavy expenses. I personally went with him to see the minister's officer. He said, "We do not expect immigrants from the United Kingdom to ask for assistance, they are expected to have enough stability and so on to stand on their own feet". I was present when that was said. I will supply the minister with the full details.

As a matter of fact, this immigrant was a senior official in the immigration service of Great Britain when he came to this country and he had recommendations of the highest kind from the colonel of his regiment and from the British ministry that had charge of the department for which he worked. That is one particular instance of which I have knowledge. It took place some year or two ago. I have had the matter brought to my attention a number of times by a number of immigrants.

This is the only case of which I can speak from personal experience because I went to the immigrant concerned. As a consequence, he was able to borrow sufficient funds from Great Britain and returned to Great Britain. He was a man of excellent education, and had given excellent service to the commonwealth and had fought for the things we believe in. However, he was obliged to return to Great Britain because he was denied two or three months assistance to tide him over a rocky period after he had suffered a series of most unfortunate experiences. I bring that matter to the minister's attention. I will look up the file and give her the details. If my memory serves me correctly, this incident took place during the administration of the hon. member for Bonavista-Twillingate.

Mrs. Fairclough: This is news to me. If the hon. member will supply us with the chapter and verse of his complaint I shall be glad to look into it. Do I understand him to imply that the gentleman in question had been here less than a year?

Mr. Herridge: He had been here about six months; and he arrived here at a period when things went flat all of a sudden.

Mrs. Fairclough: If the hon. member will give me the particulars I will look into the matter.

Mr. Pickersgill: If in fact this incident occurred when I was minister I might ask the hon. member if he will give me the information also because I should be glad to have it. I ran into one or two cases in which people thought they had been badly treated by the citizenship and immigration officers. I always tried to investigate those cases. I was on very good terms with the hon. gentleman at that time. If he had brought the matter to my attention, I am sure that I would have looked at it then.

Mr. Herridge: I shall be only too glad to give the information to the hon. member for Bonavista-Twillingate as well. I think it was just in this period of flux when this catastrophe happened in 1957 and on that account I did not bring the matter to the minister's attention, because the gentleman to whom I am referring had returned to Britain and has asked me not to press him any further. I am not blaming the former minister, but I know that on several occasions immigrants from Great Britain came to me and said that they were discouraged from seeking assistance by the officers concerned.

Mr. Regier: Since we are speaking of the subject of assistance while awaiting employment may I ask the minister this question. Are there any communications between the immigration branch or the minister and the

regional offices of the unemployment insurance commission with regard to replacement of immigrants in Canada.

Mrs. Fairclough: Yes, Mr. Chairman. I think that matter was explained in the letter which I read within the last hour having regard to the placement service of the department.

Mr. Regier: Did this information have anything specifically to do with the category of immigrants known as displaced persons? Was there any communication with the unemployment insurance offices in which specific mention was made of displaced persons.

Mrs. Fairclough: It has been so long since we have had a category definitely known as displaced persons that I really could not answer that question. It is not a term that is in common use today in the department.

Mr. Regier: If the minister will not identify what I mean, I imagine that her officers will do so. I have had representations from three ratepayers organizations and from a political organization in the area. They are greatly concerned about a charge that has been levelled at a local regional office of the unemployment insurance commission. An unemployed man asserts that he read the letter that was handed to him, although not for keeping—he was obliged to return it—in which it was stated that a federal department had issued orders to this regional office to grant preference to displaced persons in the matter of recommending places of employment. Is the minister able to deny that any letter of that kind emanated out of the immigration department.

Mrs. Fairclough: I am entirely unaware of it. I am told the term "displaced person" has not been used in this department for five years. I am therefore quite certain that no such letter would have been written along those lines certainly within the last few years.

Mr. Pickersgill: There is one other question I should like to ask the minister. Can she say how many provincial governments she has been able to make this agreement with or how many provincial governments agreements have been made to provide welfare services and whether there is any prospect of making any further agreement? Perhaps it is unnecessary for me to say that I heartily approve of this policy since I initiated it.

Mrs. Fairclough: To date we have three, namely Ontario, British Columbia, and Alberta. We are working on the rest of them.

Item agreed to.

[Mr. Regier.]

Citizenship—

48. Citizenship registration branch, $845,871.

Mr. Pickersgill: I should like to make one or two observations about this item. The citizenship registration branch is, of course, concerned with persons who have come here as immigrants in main, although not all of them are in that category; some are returning Canadians who want to have their citizenship restored. Except in one respect it is largely simply a great registry in the department here in Ottawa. But since 1954 or 1955—I ought to remember the year but I am not quite sure of it—the department has set up a number of citizenship courts in various parts of the country because we found that there were such concentrations when I was in office—and the minister has found this situation also—in a number of places, such concentrations of potential citizens in certain places that the local county courts or their equivalent in the other provinces could not handle the volume of traffic. I think it would be interesting to have for the last two years the global figures of the number of persons who have become citizens in each of these areas, and any other observations the minister would like to make about this situation; that is, whether there are any other places where there is a backlog.

One thing that always interested me when I was minister was that I managed to make a reasonable profit for the treasury on the operations in Toronto, and even in Montreal. I wonder whether the minister, being an accountant, has a balance sheet for all the courts and can say whether the fee is sufficient to pay the full cost of these courts.

Mrs. Fairclough: Most of these courts have not been in operation long enough for us to have decided that. I might also say that the primary purpose for the establishment of the courts, in so far as I am concerned, is to have uniform treatment rather than making money. It stands to reason that we do not intend to open courts in areas where traffic does not warrant it. However, I do have a small statement here and possibly it will answer some of the questions I have been asked.

During the calendar year 1960 courts of Canadian citizenship were opened in London, Ontario; Winnipeg, Manitoba; Edmonton, Alberta and Vancouver, British Columbia. In addition we have in this current calendar year appointed a court of Canadian citizenship in Moncton, New Brunswick. This brings to eight the number of courts of Canadian citizenship now in operation. I might also add that it is hoped to open a court of Canadian citizenship in Ottawa later this year. It is also planned to hold a meeting of

the presiding officers of these courts in the near future to help them to arrive at a more uniform system in dealing with applicants for Canadian citizenship.

To date the complete statistical returns on the granting of certificates of Canadian citizenship are not available. However, it appears that there will be a slight decrease from last year in the number of persons who have applied for and been granted Canadian citizenship. Information available for the first three quarters of 1960 shows that 46,000 persons were granted Canadian citizenship compared with 49,000 for the same period in 1959.

During these same periods the number of certificates of Canadian citizenship and miniature certificates of Canadian citizenship issued to persons who are already Canadian citizens has decreased from 32,381 in the first three quarters of 1959 to 31,542 in the first three quarters of 1960. Of course, that is not much of a decrease. The issue of the miniature certificates of Canadian citizenship continued to be the more popular during 1960.

The total revenue from all sources for the branch for the calendar year 1960 amounts to $327,623. This is mainly from the operations of the courts of Canadian citizenship.

To answer my hon. friend's question, in 1960 the court in Toronto had 9,686 applications; Montreal had 5,871; Hamilton had 1,995; London, which was only opened May 1, had 453; Moncton of course has just opened; Winnipeg, which opened on October 3, had 288; Edmonton, opened October 18, had 205; and Vancouver, which opened August 15, had 798. So I think it will be another year or so before we can really properly assess the traffic and the expenses of the courts. But I am sure that with the amount of money that has come in during the past year we certainly will not be operating at a loss. For 1961-62 we forecast about $427,500 altogether.

Mr. Macdonnell: Mr. Chairman, reverting to the claim of the hon. member for Bonavista-Twillingate as to a profit made on these courts when he was minister, does the minister, who is an accountant, know whether in fact the claim of the hon. member for Bonavista-Twillingate, who is not an accountant, is valid?

Mrs. Fairclough: I did not audit his accounts, but I would be willing to attest to the fact that in so far as the records of the department show, he is quite correct.

Mr. Pickersgill: There is one problem that the minister knows has been quite troublesome. There is a great incentive, of course, for persons of foreign nationality to seek to become Canadian citizens because that is the way in which they get the franchise in this country. But British subjects who emigrate to Canada have only to be here a year and they get the franchise without becoming Canadian citizens. Therefore they—at least, I say "therefore"; I am not imputing motives to anyone in the house—presumably have less incentive to seek citizenship than persons of foreign nationality. In fact, the records did show up until the last time I checked them that these British subjects did not become Canadian citizens in quite the same number. Has there been any improvement in that respect in the past year?

Mrs. Fairclough: I could not really say there has been. I wish I could report that there had been an improvement, because I think these people should become Canadian citizens. But apart from encouraging them whenever we run into them, I do not think there is very much else we can do. I have just been reminded of something that I should have mentioned. In the current year we are producing a film which we hope will be some encouragement to them.

Mr. Winch: I can understand the viewpoint of the minister in wishing to encourage uniformity and perhaps a standard ceremony in the application or the granting of papers of citizenship. However, I would like to ask the minister whether any thought has been given to a rather serious aspect on the other side of the picture. I have reference to people who have been here the required five years and who have made the required application, but who come from a country whereby almost by nature they have a temperament of being high-strung, emotional and excitable.

From my own personal experience I know people who have been good citizens and in my estimation they are entitled to citizenship. On many occasions I had visited them in their homes. I can sit down and talk to them and they can talk to me. I understand them; they understand me. I have actually sponsored some of these people. But immediately they get in the courtroom, with the judge up on the bench and the spectators all around, they freeze. Their mind goes blank; they are back to the language and the customs of the country from which they came.

Although I have been speaking to them for perhaps two years in English, right then and there they do not know English; they cannot understand it; they cannot speak it. I have seen that happen. I know it happened only recently in Vancouver. I know of cases in the interior of exactly the same thing. As a matter of fact I drew one to the

attention of the deputy minister and he was very, very kind about it. This does happen.

Is consideration given to that situation, to this emotionalism and blankness which under those circumstances overcomes these people? I think we know it. I think the majority of us, if we have to face even a traffic charge, have a feeling of nervousness when we go before the judge. Therefore I think it is understandable and I think it is important that something be done to help these people.

Mrs. Fairclough: This is, of course, a recognized human failing. This is one of the reasons we want to have these courts wherever possible, because we can speak to our own presiding officers; we can draw these matters to their attention and plead for their tolerance and understanding.

If the applicant comes before the county court judge—I make no aspersions on his motives—it is true that we cannot speak to that judge because we have no jurisdiction whatsoever over him. I may say, however, that the applicant is not judged entirely on what happens to him in court. We do have a pre-examination and I think it has been our experience in our own courts that by the time the applicant comes to court he has had such friendly relationships with the staff of the court and has received such kindness from them that to some extent he loses his fear. We hope he loses all his fear. It stands to reason he is going to be excited. His enunciation in repeating the oath may not be as clear as we would expect of a Canadian but I am sure we are gradually overcoming these difficulties and we hope we shall overcome them completely.

Mr. Pickersgill: It did seem to me strange, having in mind the number of immigrants and the population of various places, that Calgary should not have been included in that list.

Mrs. Fairclough: We have a court in Edmonton. I am not sure what we are going to do, but we did not consider there was sufficient traffic to make it worth while having one court in Edmonton and another in Calgary. In some of these places we have in mind making a travelling court out of the existing court. Courts will be held at intervals in different places in the same area.

Mr. Brunsden: I should like to emphasize the point made by my colleague the hon. member for Bonavista-Twillingate. There is a great deal of confusion in Alberta with respect to this court in Edmonton. There is a feeling it is a temporary court. There is a feeling that someone from Medicine Hat might have to go to Edmonton to appear before it, and I suggest to the hon. lady, whom we all admire, that it might be well to clear up this situation.

I have another question to raise and it has to do with refusal to grant citizenship. I am thinking at the moment of one individual of central European birth who has a European name. He has applied continually for citizenship and his application has been approved by the district court, but when his file comes to Ottawa he has been refused. I have been told by the registrar that the reason for refusal is a secret. I feel that as a member of parliament I am entitled to some confidence. I am not going to betray it. But on behalf of this man's sponsors and on behalf of the court in Medicine Hat who are most interested in this man I should like to know why he should continually apply, continually pay a $10 fee and continually be refused. It seems to me that that is not Canadian. If the man has some mark against him, should not some of us know what that mark is?

Mrs. Fairclough: There are some aspects of this type of case which cannot be divulged but if my hon. friend would like to bring his specific case before me I should be very glad to have a look at it and I will tell him what I can tell him, in any event.

Mr. Bell (Carleton): Can the minister give the approximate date when the citizenship court will be established in Ottawa, and will she indicate the field of its jurisdiction? Over what other counties in eastern Ontario would it have jurisdiction in addition to the historic county of Carleton?

Mrs. Fairclough: I am afraid I shall have to leave that question for the time being because it has several facets. We have an allotment for it in next year's estimates so I hope we shall get it open during the current calendar year.

Mr. Baldwin: I should like to express appreciation to the minister and to the officials of her department for what they have done in connection with the appointment of what I might term ad hoc judges in districts far removed from places where the courts usually sit. That has happened in the area of Fort Vermilion which is some 300 miles from Peace River where the nearest district court holds regular sittings. The arrangement has proved of great value. Frequently during the summer and fall when rivers cannot be crossed it is impossible to get down to these courts other than by air. The practice has proved very useful and I hope it will be increasingly followed.

I believe the minister advised me in her last letter that a member of the R.C.M.P.

had been appointed there. That is all very well. I think they are an admirable body although I have had my differences with them professionally at various times. But they are frequently moved. Sometimes a constable is appointed to be an ad hoc judge. Then, he is moved and there is a vacancy. I would suggest that thought be given to making appointments of a more permanent nature; to choosing someone who is residing in the area for some time.

I should like to take this opportunity to make some reference to the observations of the hon. member for Vancouver East. I have appeared before the courts at different times for a quarter of a century. During that time in district courts I have heard many judges dealing with the applications of those who wish to become citizens of this country and I do not think I have come across one occasion in all that period when the judge concerned has not been sympathetic, courteous and considerate, careful to see that he has put these people at their ease. I am confident that the new courts and the judges appointed by the minister will continue that practice.

Mr. Badanai: Following the question raised by the hon. member for Vancouver East with regard to applicants for citizenship, may I say that when they appear before the judge they usually get tongue-tied in answering questions. I have here in my hand a questionnaire with 41 questions on it which the judge asks the applicants in court. Needless to say, some of these questions are difficult even for Canadians to answer. I will read one or two as examples.

One question reads: What written document is the basis of the constitution of Canada? Another is: What is the name of the most recent act of parliament affecting our constitution? Another question is: Why is the Statute of Westminster important?

Mr. Winch: How many school children, or even adult, could answer those?

Mr. Badanai: Some of those questions are difficult for even Canadians to answer, let alone for these people who appear before a judge with a meagre knowledge of English. They become tongue-tied, unable to say a word, and are turned down. Once they are turned down they are asked to file another application within two years. That is accompanied by a request for another fee of $5. A situation of this kind is surely to be regretted, and some reasonable attitude should be taken by the judges when they examine these people. I have had several cases in my constituency; in fact they come up after every citizenship court. People come to me and say they could not get citizenship papers. They got tongue-tied in court; yet they can speak to me, in broken English, it may be, but I can understand them very well.

Then there is the case of the man who may have lived in Canada for 20 years and who will never acquire a substantial knowledge of the English language. Yet he is a good citizen and has probably raised a family. He, and others like him, are unable to obtain citizenship papers simply because they cannot answer the questions which are asked of him.

Mrs. Fairclough: Mr. Chairman, these questions do not emanate from this department. This must have been a list of questions compiled by the judge himself. In any event, I should inform the hon. member for Fort William that we do have text books which are made available to all applicants for citizenship. These text books answer most of these questions and certainly the ones the hon. member read off.

We think it is advisable that applicants for citizenship should know a little about the country. I agree with him that possibly some of our own Canadian citizens do not know this either but after all they were born here and were supposedly educated in this country and have probably forgotten much of what they learned in school as is the case with all of us.

With respect to long term residents and a lack of knowledge of the language, there is usually some leniency exercised by the judges in the cases of persons who have been here an extended length of time and who have not had an opportunity of learning one of Canada's two basic languages. I think of persons who have been here 20 years and who demonstrate that by reason of circumstances they have been unable to take language courses or to mingle with their neighbours to the extent of having acquired fluency in English or French. Such persons are usually given special treatment by the judge of the court.

Perhaps I may be permitted to relate to the committee an amusing incident that came to my own attention. A young lady of my acquaintance was taking a language course. She came to me with a book which I must admit was a product of my own department. She asked me what is a very small animal with six legs. I said I did not know. She was able to show me the question in the book: What is a very small animal with six legs? We got out the encyclopedia, the dictionary and some books on animals that I have, but we were unable to find an answer to the question.

With great glee I brought the question to my departmental officials and they were as much in the dark as I was. I believe the

answer turned out to be an ant. I am sure none of the hon. members of this committee would consider an ant an animal but apparently in strict terms it is. However, if none of us could answer that question I am sure we can have every sympathy when a question of this nature is put to a person who is attempting to learn the English language.

The other side of that matter, of course, is that there was a book of instructions from which she could have secured the necessary information but in directing her studies the teacher had neglected to give her the book of instructions and had given her only the book containing the questions.

Mr. Badanai: I agree that there are books of instructions, Mr. Chairman, but often when these people appear before the judge, even though they know the answers to the questions, they cannot talk, become mute and are turned down. That is the difficulty. I wonder if the minister could instruct, advise, or suggest to the judges concerned that they use a little discretion in the matter.

Mrs. Fairclough: In February we are having our own presiding officers in and will be making some of these suggestions to them. I am sorry to inform the hon. member that we cannot make suggestions to county court judges.

Mr. Rapp: Mr. Chairman, I should like to know what the procedures are now when an applicant appears before a judge and has to answer possibly 48 questions. I can recall my own application for citizenship. Although there were 48 questions I am happy to say that we were supplied with 48 answers too.

Item agreed to.

49. Citizenship branch, $808,322.

Mrs. Fairclough: Mr. Chairman, because it is only a few minutes before five o'clock, perhaps I may be permitted to make a statement on this subject so that we could start next day from this point.

As I presented an outline of the continuing activities of the citizenship branch only eight months ago, I shall confine my remarks today to reporting on a few significant developments that have occurred since that time.

First of all, I should like to speak of language classes. Special language classes for newly landed immigrants, who would otherwise have to await the opening of the fall term, were made available in the summer in an increased number of centres. Notably popular and successful this year were the classes organized for the first time in Winnipeg. In Toronto a publicity campaign conducted through spot announcements on radio in a variety of languages produced most gratifying results. Nearly 1,000 students enrolled in an intensive six-week course involving five evenings each week.

In the field of teacher training, a total of 45 teachers of immigrants attended the special summer course conducted by the Ontario department of education during July and August. At the instigation of the citizenship branch, arrangements were made between provincial governments for the first time to permit the attendance of nine supervisors and senior teachers from outside Ontario. The course, which is intended to improve the standards of instruction in language classes, is now well established and will be expanded somewhat this summer.

With the assistance of the branch, initial steps are now being taken to provide special courses for teachers of French to immigrants. The first of such courses will be held in Montreal the latter part of February.

A meeting is being planned by the branch for this summer of leading experts from the various provinces in the field of language and citizenship instruction for immigrants. The meeting will provide the first opportunity for such experts to exchange views and experiences and to discuss problems of mutual interest.

Increased efforts have also been made by the branch to promote the filing of citizenship applications by those eligible to do so. A series of advertisements have been run in the ethnic press. A poster on this subject was also prepared and, with the co-operation of the Post Office Department, displayed in all post offices throughout the country. Articles on the steps to citizenship and the advantages of acquiring citizenship were prepared for the use of ethnic newspapers across Canada.

In order to reach as many people as possible of those newcomers who, although eligible, have delayed in applying for Canadian citizenship, a film on the subject is now in process. It is intended for use with ethnic groups and voluntary organizations working with newcomers. The film will outline the factors involved in reaching such an important decision as changing allegiance, as well as the main court procedures.

At present, plans are being completed for a revised booklet to assist applicants for citizenship in preparing themselves for examination before the courts. It is anticipated that the new booklet will assist applicants and the courts, in achieving and maintaining a desirable standard in respect of citizenship examinations.

I would like to refer also to the work of the citizenship branch in the promotion of citizenship activities among Canadians generally. Last summer the branch concentrated its efforts on the organization of impressive and colourful Dominion day celebrations in a few major centres. I mention only two. Through the united efforts of civic government, business and industry, voluntary and ethnic organizations, Winnipeg had a most distinctive and successful program. In Ottawa events centred around parliament hill. Members will recall the trooping of the colour, the special carillon recitals, the sunset ceremony and the very moving citizenship ceremony over which I had the honour to preside. This year, along with the more formal observances, the branch is encouraging broader community participation in the Dominion day festivities, in gradual preparation for the celebrations that will take place during centennial year.

Two significant events with which the branch has been closely associated recently were a national Y.M.C.A. conference of young adults who met last summer to discuss the role of responsible Canadian citizenship in the next decade, and a conference sponsored by the home and school associations for community leaders in New Brunswick on the conditions of bicultural co-operation in the region.

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

PRIVATE BILLS

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of public and private bills, the former having precedence, pursuant to section 3 of standing order 15.

COMPANIES ACT

AMENDMENT RESPECTING FINANCIAL STATEMENT

Mr. E. J. Broome (Vancouver South) moved the second reading of Bill No. C-16, to amend the Companies Act (financial statements).

He said: Mr. Speaker, the purpose of this bill is to amend the Companies Act so that if the foreign parent of a Canadian subsidiary is deemed to be under Canadian law a public company the Canadian subsidiary must also be classed as a public company. There are now 11 Canadian companies acts, one federal and ten provincial. Canadian law does not require private companies to publish financial statements and, among other things, a private company is one which has less than 50 shareholders. Public companies are required by the federal act to publish annual statements of income, expenditures, profit or loss, debts, assets, inventories and surpluses. On the other hand, a wholly owned subsidiary of any company, whether foreign or Canadian, is considered under the law to be a single corporate person and therefore can qualify as a private company and will not have to make its financial statements public.

It can be argued with reason that the right granted to private companies to keep their financial affairs safe from public scrutiny was intended as a guarantee of privacy for natural, not corporate, persons. Wholly owned subsidiaries are ultimately owned by the shareholders of the parent company; if there are more than 50 shareholders of the parent company then it can be argued that there are more than 50 shareholders of the subsidiary. It would therefore be in the spirit of the law to require wholly owned subsidiaries to submit separate financial statements both to the Secretary of State and to their parent corporation. It is my contention that this is the spirit of the law but that the letter of the law does not say this.

The amendment proposed in the bill will, of course, only affect companies incorporated by an act of parliament, but if this parliament gives a lead in this direction I think the provincial acts will be changed accordingly in due course. These provincial acts are not exactly similar to the federal act but generally speaking they make the same distinction between private and public companies.

The Canadian-American committee sponsored by the national planning association of the United States and the private planning association of Canada has recently published a booklet entitled "Policies and Practices of United States Subsidiaries in Canada" written by John Lindeman and Donald Armstrong. Mr. John Lindeman has wide experience in the field of international economic affairs with the United States government and as a private economic consultant. He is the author of earlier studies on United States business performance abroad published by the national planning association, and he is currently a partner in International Economic Consultants, Incorporated, in Washington. Professor Armstrong has had broad experience as an economic consultant in Canada and has recently been appointed director of the school of commerce at McGill University in Montreal.

The Canadian-American committee was established in 1957 to study problems arising from the growing interdependence between Canada and the United States. It has approximately equal representation from coast to coast. Its 60 members are business, labour, agricultural and professional leaders drawn in equal numbers from the United States and Canada. The committee was founded to foster

good relations between Canada and the United States and to study any problems which are in the common interests of both countries.

The booklet deals with the sale of equity stock in subsidiaries to Canadians, the use of Canadian personnel in these subsidiaries, how well or how badly such subsidiaries contribute to charity and education, and one chapter deals with the subject of the bill, that is, the publication of financial data of such subsidiaries. On page 46 the authors state as follows:

> Complaints have come from financial, academic and professional sources that the failure of so many foreign owned companies to publish financial data imposes a factual blackout for them over much of the economy, and thus inhibits research. An analyst examining a problem of the concentration of industry, for example, will have much more difficulty studying the problem in Canada than would a student of the same problem in the United States or England. Even civil servants do not always have access to the financial data of individual companies. An economist in the Department of Trade and Commerce or in the Bank of Canada, who might be trying to assess the significance of a sample survey made of a particular industry, would have access to no more individual financial company data than would anyone else. Under existing rules, the information made available to the income tax division or the dominion bureau of statistics is not generally available to any other government department on an individual company basis. Market analysts report difficulty in trying to assess the future of an industry or of the individual companies that do sell shares, since in some cases they lack sufficient data for comparing companies and have no way of putting together financial statistics for an industry as a whole.

These complaints, Mr. Speaker, are quite legitimate when you consider the degree of ownership and control of Canadian industry exercised by foreign corporations. As far as control is concerned, according to the royal commission on Canada's economic prospects 95 per cent of our automobile industry, 84 per cent of our rubber industry, 51 per cent of our chemical industry, 68 per cent of our petroleum industry and 55 per cent of our mining industry are controlled by United States capital alone. In the booklet I have referred to previously this statement is made:

> Today well over one quarter of all industry in Canada is controlled in the United States. In manufacturing the proportion is approximately one half, and in the primary mineral resource industries —mining, smelting and petroleum—United States ownership is close to two thirds of the total. These are dramatic figures.

No other industrialized country has such a large share of its industry controlled by concerns beyond its border. By comparison foreign investment in the United States reached a peak before world war I but it only amounted to the equivalent of 15 per cent of the United States gross national product. As of today, foreign investment in the United States is down to 3 per cent of the gross national product. On the other hand, foreign investment in Canada is now almost 61 per cent of the Canadian gross national product.

It almost seems fantastic, Mr. Speaker, that in so many areas of government legislation the cards have been stacked against companies which are either wholly Canadian or have Canadian participation. For example, the Minister of Finance (Mr. Fleming) in his recent budget has corrected the situation which gave a tax advantage to foreign companies which would not permit any Canadian participation, and penalized foreign subsidiaries which did allow Canadian participation. The budget has eliminated this advantage and removed one barrier to further Canadian participation in these foreign owned subsidiaries.

This bill attempts to amend the Companies Act so that wholly owned subsidiaries of foreign companies will not be able to operate in secrecy but will have to publish the same financial information required of Canadian companies, and the same information which is required of foreign subsidiaries which have some Canadian participation. For instance, the royal commission on price spreads in food products, in its report dated September, 1959, page 52, recommended that private companies be required by law to publish the same information as public companies of their financial operations. The commission stated that information on the operation of the Canadian economy is necessary to the proper conduct of public affairs. They felt that if this information were available it would be a corrective to some of the abuses they found in the food industry. The royal commission on Canada's economic prospects in their final report at page 393, made the following recommendations:

> (1) wherever possible, such concerns should employ Canadians in senior management and technical positions,—

They are here referring to foreign owned subsidiaries.

> —should retain Canadian engineering and other professional and service personnel, and should do their purchasing of supplies, materials and equipment in this country;
>
> (2) they should publish their financial statements and make full disclosure of the results of their Canadian operations;
>
> (3) they should include on their boards of directors a number of independent Canadians and they should sell an appreciable interest in their equity stock to Canadians.

The subject matter of another bill which I will be introducing, Mr. Speaker, will deal with the question of Canadian participation on the boards of directors of the companies. It is of note that the second recommendation of this royal commision is in line with the purpose of this bill.

It is interesting to note also that in the United Kingdom wholly owned subsidiaries are required by law to publish financial statements. Vauxhall, which is a General Motors subsidiary in the United Kingdom, regularly publishes complete details of its financial operations. According to the press there has been over the past five years a major flow of United States capital into the United Kingdom in order to build branch plants to service that market. It would seem, therefore, that foreign capital is not too concerned about this requirement, but is quite willing to take advantage of the fact there is no requirement so long as we are willing to give this advantage.

In the Canadian-American booklet to which I referred before I find that the authors interviewed some 150 officials of United States parent companies with subsidiaries in Canada and the operations of more than 50 United States companies operating in Canada. They state that most of the professional and governmental officials interviewed in Canada were firmly convinced that wholly owned subsidiaries should publish these financial statements. On the basis of these interviews they found that the management of most of the wholly owned United States subsidiaries in Canada had no strong opposition to the publication of the financial data in the detail now required of public companies. Incidentally it is well to note here that the data required under Canadian law is neither as extensive nor as detailed as that required under United States law, and which is furnished by the parent corporations of these same subsidiaries. The authors have come to the conclusion that the reason more of these wholly owned subsidiaries do not publish statements must be attributed more to inertia than any strong desire to keep their financial results away from public scrutiny. If this is so, then only through government legislation can we bring about this result.

In the Ottawa *Journal* of January 18 there was an interesting editorial referring to a speech made by Mr. Kennedy when he was given an honorary degree by the University of New Brunswick. In speaking about Canada-United States relations, Mr. Kennedy said:

> It would be a pity to rigidify the Canadian economy merely for the sake of breaking lances with a phantom American colonialism. In return, American businessmen with substantial investments in Canada should be required by the dictates of self-preservation, if not simple equity, to increase the participation of Canadian money and personnel in the development of Canadian resources.

I would suggest, in the light of that statement, that Mr. Kennedy would be in agreement with the principle of this bill.

This bill was introduced for the first time in 1959 and was debated in this house. The government, through the speech from the throne, has indicated that there will be measures relating to this problem. These measures may very well cover a wider field than can be covered in this bill. As I stated before, this bill simply amends the federal act and has no amending effect on any of the provincial companies acts. I do suggest, however, that if the bill when first introduced had been sent to a committee for study much valuable information would now be in the hands of the officials who have the job of drafting the proposed legislation. I suspect that these same officials will be referring to the debate which took place on this bill at that time as well as to the debate which I have just initiated.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, the hon. member has introduced a most interesting bill, namely an act to amend the Companies Act in which he specifies that companies operating in Canada but owned privately outside of Canada should have to give to the government and the people of Canada information relating to their annual operations. I believe it is safe to say there has been over the years a growing and widespread concern in our country at the fact that companies which would be covered by the proposed bill have not had to give information as to their operations in Canada. This widespread criticism has undoubtedly grown as a result of the information being made public as to the number of Canadian industries and manufacturing concerns that are owned outside our country, and with the knowledge that as a rule these subsidiaries do not publish their financial statements or offer the public any kind of information.

I was most interested in the fact that the proposer of this bill quoted at some length from the document "Policies and Practices of United States Subsidiaries in Canada" as published by the Canada-United States committee. It is indeed most opportune that this publication should have come off the press just in time for it to be studied prior to the discussion of this bill.

Mr. Broome: I also think so.

Mr. Winch: It arrived only two days ago as far as my own post office box is concerned. I want to say that it is without doubt one of the finest and most exhaustive of the studies that have been made by responsible people and a responsible organization into the matter of the policies and the practices of United States subsidiaries in Canada. To those who may at this moment feel that there are objections to the bill may I say that if

they were to read this publication I feel they will find that all their objections are met, answered and disposed of.

In addition, of course, there is the positive approach in this exhaustive analysis, and that is the reason why this information should be available to the Canadian government and to the Canadian people. In my own reading of this pamphlet I was most interested to note the conclusion that the reason for the non-publication of statements by the wholly owned subsidiaries was very simple, namely that the Canadian law does not require it. That was the major reason given by all those who were interviewed: As the Canadian law does not require it, why do it? However I was most interested to note that all those who were interviewed in the main stated that they could see no valid objection to the filing of such a return, that there was no reason at all why it should not be done and that it would not be very difficult to do. But why do it if the Canadian law does not require it?

However, one answer given as contained in this pamphlet put forward an objection and stated why at least two of the large companies did not want to have a Canadian law under which they would be obliged to file their financial statements and to give information as to their Canadian operations. The answer given by these two large concerns in Canada but wholly owned in the United States was this. First, there was the approach of one executive who objected to the publication of financial data on the ground that labour unions would be provided with information, and he did not want labour unions to be provided with information with regard to the operations of his company in Canada. Here is a company using our resources, our country and our labour and profiting by being allowed to operate in our country. But this executive did not want the men who do the work or their organizations known as trade unions to know about the financial affairs of his company. The reason he gave for this stand, as quoted by the authors of this most valuable pamphlet which I have mentioned, was that if the workers knew how much money the company was making it might make it difficult for the company in negotiations with the union with regard to improving the conditions of the workers. I think it is disgraceful that an executive of a company with an attitude like that should be allowed to continue without being obliged to make this information available.

On the other side of the picture, something that was also extremely interesting, was the approach of an executive of another company who did not want to be obliged to issue any financial statement or information because, if that were done, the workers might want to unionize and he did not want them to unionize.

I think that this is a rather remarkable approach and that it is one we should consider. I believe that almost every argument definitely should be in favour of making it obligatory for these companies operating in Canada but owned outside of Canada to make public their operations, their financial status, their profit or loss and their depreciation.

The only other thing that I should like to add, Mr. Chairman, is the result of all the interviews that were undertaken by these two most responsible men, one from the United States and one from Canada, who did the research and the writing on behalf of this joint United States-Canada committee. This was their conclusion, and I think it should be noted. As a result of all their consultations with management and with executives and with many companies they were forced to the conclusion that, if it was felt in Canada that there should be the publishing of these financial statements, by far the vast majority of these companies would have no objection to doing so. If that is the conclusion, or the reaction, namely that fundamentally they have no objection to doing it but they are not doing it because it is not Canadian law, then I think that the hon. member who sponsored this bill has done the correct and proper thing in introducing legislation to make it Canadian law that these companies in the future will be obliged to operate in the same way as does any other company in Canada.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I am very happy to follow the two distinguished members from British Columbia; I refer to the hon. member for Vancouver East (Mr. Winch) and the hon. member for Vancouver South (Mr. Broome), I am also happy to observe that all is calm in the province of British Columbia because on this occasion they seem to be in agreement.

Before going into the merits of the bill I think we should ask one question and then endeavour to answer it. The question is this: Why file a financial return at all? In order to answer that question I think one must look at the legal foundation of a corporation and see why some companies file financial returns and must do so under the law and why some companies do not file financial returns.

There are two distinct types of corporation. One is a private corporation and the other is a public corporation. Some are incorporated under the federal law, depending on their aims and objectives, and some are incorporated under the provincial law depending

on their aims and objectives. Of course, to determine whether it is a private corporation or a public corporation two points are involved. One is the number of shareholders and the other is how the stock is sold. If it is a private company it must have less than 50 shareholders. If it is a public company, it can be larger. Of course, the public then invests its money and subscribes for its shares.

That brings me to the particular answer of the question: Why file a financial statement at all? The reason why this practice grew up is briefly this. When the public are subscribing for shares there is an obligation on the corporation and on the directors of the corporation which is a public corporation to file a financial report so that investors in this country and in other countries who are investing in a corporation in Canada may get a fair shake for their money.

I am one of those Canadians who believes that Canadians and other investors in this country should get a fair shake for their money. That is the principle behind filing a financial statement. I do not think it was ever anticipated, with the greatest respect to the two members for Vancouver, that the reason why—if I understood their remarks correctly—a financial statement is filed is to give some state control over any corporation.

I am one of those Canadians who is always a little sceptical when I see state control either over a corporation or an individual, because it leads me back to the feeling of what might be the manifesto of the socialists.

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

Mr. Woolliams: Certainly.

Mr. Broome: Does he consider state control to be exercised through the government requiring companies to make returns to the dominion bureau of statistics, to the unemployment insurance commission and through the various reports that have to be filed? Is this state control? What control is there in asking for financial statements? This is not trying to tell them how to run their companies; it is asking them for a financial record of their operations, as they are now being asked for a record of their operations in other ways. I would like to see some logic on the part of the hon. member, that is all.

Mr. Woolliams: I am glad to see that my good friend for Vancouver South wants to make a speech at the same time as myself, and I am very happy to answer this question.

Companies file financial balance sheets with the income tax authorities, and that is confidential. The same thing applies to the other departments he has mentioned. He may know more about that than myself.

Before being interrupted I was dealing with this particular subject. I agree on many occasions with what the hon. member for Vancouver East has to say, and with his ideas on many subjects, and I have always admired his oratorial ability and his ability to analyse a subject. Because you always know on which side of a subject he stands, and that is sometimes not always easy to determine with some other members of this house.

But when I was talking about control I was thinking back to the Regina manifesto. This is the kind of thing you have to guard against. I am not saying it is bad in itself, but any kind of state control, as I said at the beginning, reduces freedom of enterprise and competition, which I as a Canadian stand for. I know there must be some degree of control, but it is that degree with which I am concerned.

Back in 1933 a group of 131 C.C.F. delegates met in Regina, and this is what they had to say:

> We aim to replace the present capitalist system, with its inherent injustice and inhumanity, by a social order from which the domination of one class by another will be eliminated, in which economic planning will supersede unregulated private enterprise and competition, and in which genuine democratic self-government, based upon economic equality will be possible—

It goes on to say this:

> No C.C.F. government will rest content until it has eradicated capitalism and put into operation the full program of socialized planning which will lead to the establishment in Canada of the co-operative commonwealth.

I am not digressing from the bill when talking about control, and I repeat the last paragraph:

> No C.C.F. government will rest content until it has eradicated capitalism—

I suppose to eradicate capitalism you have to get some control over those enterprises that are capitalistic. Once you get some control you may be able to eradicate them. Of course, history has shown that the C.C.F. has not eradicated capitalism; capitalism has eradicated the C.C.F.

I might say this also. They have somewhat softened the blow, because they found that their appeal over the years with regard to this kind of control was not popular. That is what I certainly oppose, when they start talking about a certain kind of control, companies must do this and that and individuals must do this and that. They have somewhat changed their tune, because in August of 1956 they met in Winnipeg, which is a little east, of course, of Regina and things got a little softer, because I understand—

The Acting Speaker (Mr. Rea): Order. I think it is time I suggested to the hon. member that he come back to Bill No. C-16.

Mr. Woolliams: Mr. Speaker, I am very happy to come back to Bill No. C-16 because the very element of the bill is asking certain companies to do certain things and is placing them under control. That is the very element that I do not like about the bill, and that is the very element I am trying to discuss in this debate before the house. Perhaps I might proceed, Mr. Speaker, if I am not out of order.

I feel that the element of control in this bill is a serious matter because, as I said in my remarks, the objective of the C.C.F. was to eradicate capitalism. It may be the very element of control that that particular party wants if they get into power. Perhaps they would eradicate capitalism by eradicating corporations and people engaged in enterprise. That is what I had in mind.

Coming back to what I was saying, they have somewhat changed their ideas in regard to the element of degree of control, because they then said:

The C.C.F. has always recognized public ownership—

The Acting Speaker (Mr. Rea): Order. I am afraid I must remind the hon. member that on second reading we are discussing the principle of the bill. The principle seems to be whether or not companies should make a financial statement to the government. We are not discussing socialism; we are discussing Bill No. C-16. I would ask the hon. member to please come back to the bill.

Mr. Winch: He has got to talk it out somehow.

Mr. Woolliams: I wish to thank the hon. member for Vancouver East for those remarks. In view of the ruling of the Chair I will naturally, as a backbencher, abide by the ruling of the Chair. Therefore I will come to another subject in reference to this particular bill.

In my introductory remarks I was saying that the reason why a financial statement was filed was to protect the investor and the shareholder. The reason financial statements are filed by certain companies is not to control the company. That was the main purport of the impression I was trying to leave in my opening remarks. That is true whether it happens to be a federally incorporated company or a provincially incorporated company.

I now wish to come to something else and I submit, Your Honour, that this refers to the matter under discussion, because my good friend the hon. member for Vancouver East dealt with the subject of subsidiary companies.

This bill appears to be aimed at corporations. Certain companies are able to go under the guise of a private company because the company owns the shares, but you may have so many shareholders that it is really a public company and not a private company in the true sense. That differentiates those who file financial returns and those who do not.

I have listened to debates in this house on this and other matters, and I do not think this particular government, looking back in the past, has ever been anti-American in any way. All this government has ever done, it seems to me, is this. I have listened to the members of the treasury benches and members of the government and they have said that Canadian capital must have equal competition with United States capital, wherever it exists.

I would like to draw this analogy when we are dealing with United States subsidiaries that have been doing business in Canada, and particularly in western Canada. Over a number of years in Alberta we have developed a very healthy oil industry. Some of those are subsidiaries in the same class and category to which my good friend referred in his remarks. It would seem to me that if we are to do anything we should be very cautious not to kill any kind of business or any chance that capital may come in from the United States to Canada.

We have only to compare the economy of the province of Alberta over the last 30 years with that of the province of Saskatchewan to illustrate my point. In the province of Alberta we have not had control or regulation to any degree such as is suggested in this bill, and we have a very expansive enterprise. Therefore the government is able to budget each year eventually, because of the oil industry, to very much better advantage than is the socialist government of the province of Saskatchewan. As a result, we get better enterprise, better roads and everything that goes along with it. I am one of those people who would oppose any feeling or suggestion at any time of anti-Americanism in this country.

I am one of those who believe we should always encourage American or any other foreign capital to come into this country and develop our resources so that we can get full employment. There is always a lot of talk about this, that and the other, but the fact is that if business is healthy and making a profit, a man has a job and there is prosperity in this country. In that manner it seems to me we can get full employment.

Let us take the industrial development of the province of Saskatchewan and compare it with the province of Alberta. You have a greater degree of prosperity in that province. People flocked into Alberta, while they left Saskatchewan, and this is because of the capital pouring in from the United States. So I say we should treat with caution any bill which might impose a kind of control which scares out capital. We are killing business, and when we kill business we lose jobs for Canadians.

Mr. Winch: What are they trying to hide, then?

Mr. Woolliams: I will come to that. I am glad the hon. member raised that question. The hon. member for Vancouver East is always decent, and very honest with his facts. He referred to the "Policies and Practices of United States Subsidiaries in Canada." I just want to read from that document for a few moments. I say that the purpose of filing financial reports is not to exercise a degree of control; it is not to show labour or any other class of people what a corporation is making. The purpose behind it is to protect the investors and shareholders. If we are to come to a point where we say this data must be filed for a different purpose, if management must file this information for another purpose, then it may be that certain labour organizations which, in their turn, are sometimes subsidiaries of United States unions, would have to lay bare their financial reports to the people of this country. This has got to be a two-way street between management and labour.

It does seem to me after talking to the workers of this country—and I was one myself—that the workers today appreciate as never before that when management is making a dollar they have a job and are being paid a decent wage. I say that if this is going to apply to corporations it should apply to labour unions also. This has got to be a two-way street.

I want to refer to this particular article which the hon. member mentioned a few moments ago. I was just as happy as he was to have it on my desk so that I should have a few facts at my disposal this evening, because I did not have a speech prepared. I am quoting from this article "Policies and Practices of United States Subsidiaries in Canada" on page 40 and it says this in the last paragraph and I think it will answer the hon. member for Vancouver East.

Mr. Winch: Read the second last paragraph.

Mr. Woolliams: Yes, I will do that too. Here is what is said, actually on page 48:

> The fact that the concept introduced by this argument is a new one does not mean that it is a bad one. But it seems useful to face the fact that when Canadians call for publication of financial data by wholly owned subsidiaries, they are asserting a public interest whose definition is still in the process of evolution.

In other words, this is a new idea. We used to file financial reports in order to protect the shareholders and investors. If we change that idea we are stepping out on a new path. That is the evolution the author is talking about. The passage continues:

> It may well be argued that when the operations of any entity—business, government, private foundations, labour unions—affect the public interest, then those operations should be open to public scrutiny.

The important phrase there is the phrase "affect the public interest". So, the writer argues, it may well be that business, the crown corporation and the labour unions should be treated in the same way, because they do affect the public interest, and that these legal entities should have to produce a balance sheet open to public scrutiny.

If this were done, if it were a two-way street, then I might go along with the mover of this bill—I might go along with the hon. member for Vancouver East (Mr. Winch) as long as he has forgotten the Regina manifesto, and say it might be a good idea. I felt that when the hon. member was speaking today he rose in his place in the interests of union members and of the public. I go along with the need to protect the public, to protect the little man in the unions against—

An hon. Member: And the little shareholder.

Mr. Woolliams: Yes, and the little shareholder. I am coming to him. I say that when it becomes a matter of public importance, and if this were made to cover the whole field I might go along with this bill, but you cannot give cake to one and not to the other. Now I would point out to hon. members that the passage on page 48 of this book continues:

> But as far as we know, the public interest in knowing the financial details of business operations which do not involve direct investment by the public has never been asserted.

That is evolution. That is new thought. I develop that idea to point out it is a new thought, and when we enter on a new thought we must cover the whole field.

I have said a lot in reference to this particular matter, but I should like to repeat this: I believe that in dealing with any of these questions, where we pick out one group, whether United States subsidiaries or any other kind, we should remember that they are up here, as any one who is in business in Canada is in business for one reason,

namely to make a dollar. When capital and management are making a dollar, labour also is making a dollar. When you can encourage that philosophy and really get it moving you have full employment in this country. So, I say, it is easy to point out the difference between Alberta—

An hon. Member: Not again.

Mr. Woolliams: I know you do not like it, but I know what is going on in Saskatchewan, because I lived there. It is easy to see the difference between Alberta and Saskatchewan. Capital was invited, and enterprise was encouraged and in that atmosphere you have there full employment and you do not have to listen to a lot of drivel and nonsense.

Mr. Winch: Could I ask the hon. member a question? Is he referring to the speech of my colleague from Vancouver South who introduced this bill as being a lot of drivel and nonsense?

Mr. M. D. Morton (Davenport): I enter this debate with some trepidation in the light of the interpretation which has been placed on the purpose of it. As the hon. member for Bow River (Mr. Woolliams) has said, we must bear in mind the implication of the suggestion we have before us.

First, I should like to discuss this bill as it affects the private Canadian companies before commenting on its affect on the United States Canadian companies, because I think there is some difference in the attitude one could take. At the present time the private companies must file their income tax statements. That is a private matter between them and the government. Then they are required, in most instances, to make reports to their shareholders.

They are also required to make certain company returns. They are required to make their returns to the shareholders because it is of interest to the shareholders in a private company to know what is taking place in the firm but it is not necessarily a matter of public interest requiring that the affairs of a company—especially of a family company—be made public. For that reason I would rather hesitate to support the implication of this bill in so far as it affects private Canadian companies. I think that to do so would perhaps discourage the investment that is needed.

Mr. Broome: Mr. Speaker, would the hon. member permit a question or an observation? When the hon. member speaks of discouraging investment is he aware that the wholly owned United States subsidiary—

[Mr. Woolliams.]

The Acting Speaker (Mr. Rea): Order. The hon. member rose to ask a question, not to make a statement.

Mr. Broome: Mr. Speaker, I said "Is the hon. member aware" which is the prelude to a question. Is he aware that this company turns out one of the finest financial statements in an endeavour to keep the Canadian people informed and to establish good public relations? I will send this over to the hon. member so that he may look at it.

Mr. Morton: Mr. Speaker, I was referring solely to privately owned Canadian companies and especially to family owned companies. Many firms issue financial statements when it is in their interest to do so. I was saying that I hesitate to make the application of this bill so wide as to cover certain privately owned or family owned companies.

When dealing with non-Canadian companies that are investing in Canada a matter of greater concern must be taken into consideration, namely the control and use of Canadian assets by non-Canadian companies. While we welcome foreign investment to assist us in the development of our country we are anxious to ensure that there is no abuse and that Canadians are given an adequate share in the development of our assets. We must ensure, too, that there is no undue exploitation contrary to the interests of Canadians. That is why I commend the government for the statement earlier this year that non-Canadian companies and unions shall be required to make public their financial statements because the public and those interested in these companies and unions should know what profits and assets are being sent out of the country. I am, therefore, in accord with the principle of this bill as it affects non-Canadian companies.

It would perhaps be of interest to quote from the booklet referred to by previous speakers, entitled "Policies and Practices of United States Subsidiaries in Canada" by Mr. John Lindeman and Mr. Donald Armstrong and published by the Canadian-American committee. At page 14 there is shown a table illustrating the investment in Canada of countries all around the world. The total investment from all countries amounts to $20,675 million of which $15,725 million is represented by United States investments and $3,250 million by United Kingdom investments. It would appear that the development of this country is in large part dependent on investment from outside Canada. At page 15 of this booklet the following statement is found:

> During the post-war years the Canadian economy grew at an average rate of 4.3 per cent a year, and along with this Canada has had a

population increase of 4.6 million and a per capita improvement in the gross national product of 1.5 per cent a year.

There is a fair comment at the top of page 16 of this booklet:

> It would be a gross exaggeration to say that United States capital has been entirely responsible for Canada's economic growth. But it would be a gross inaccuracy to deny that the United States contribution to Canadian economic expansion, especially during the post-war years, has been of crucial importance. Most of Canada's new capital formation has been financed by Canadian internal savings; the net inflow of new funds from abroad during the 1950's has been equivalent to only 11 per cent of the total.

The booklet goes on to point out that United States investment in addition to contributing capital funds has brought technical know-how, etc., to this country.

As this booklet has indicated it is important to realize that generally speaking the various firms interviewed were in favour of being required to publish financial statements. It appears that the attempt to make voluntary statements has not been successful, and for obvious reasons. Many companies will not publish information unless required to, yet there is no great opposition to the publication of financial statements.

It is in keeping with our desire for national development that we should keep track of those companies that are making contributions to the development of Canada. This does not represent an anti-American attitude since all non-Canadian companies are included. We should have information as to what assets are being taken out of Canada by those who have invested here. As has been stated, the proposal in all fairness includes in addition to industries, organizations such as unions.

If Canadians are going to be able to control the resources of this country for the benefit of Canadians we should have some knowledge of how our assets are being developed. Of course, we should not treat unjustly those who are good enough to invest in this country but there should be no real objection to their filing these statements.

Mr. Speaker, may I call it six o'clock.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I presume the house leader has no change to suggest in the order of business?

Mr. Churchill: There is no change, Mr. Speaker, in the program as announced last night.

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

Question

ANSWER TO QUESTION

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

N.H.A. LEGAL SERVICES, THUNDER BAY

Question No. 64—**Mr. Fisher:**

1. Has the government of Canada used the services of lawyers in the district of Thunder Bay, during the years from 1956-1960 inclusive, for any dealings in land or property under the National Housing Act?

2. If so, what lawyers, at what addresses, at what cost?

Answer by: **Hon. D. J. Walker (Minister of Public Works):**

1. Yes.

2. Lawyers engaged by C.M.H.C., district of Thunder Bay. January 1, 1956-December 31, 1960.

Name and address of lawyer and cost to C.M.H.C.

Harold G. Blanchard, Q.C., 3-204 Arthur Street, Port Arthur, Ontario. $111.25, (repossession proceedings).

Callon, Pustina & Zelinski, 17A South Cumberland Street, Port Arthur, Ontario. $29.60, (rectifying title).

O'Connor & Carrel, Canadian Bank of Commerce Building, Fort William, Ontario. $15.00, (deed of rectification).

G. L. Racicot, Geraldton, Ontario. $19.50, (proceedings against illegal tenant).

W. J. Weiler, Q.C., Twin City Gas Building, Fort William, Ontario. $129.50, (repossession proceedings).

In addition, the following lawyers carried out work consisting mainly of title search and preparation of mortgages with respect to loans made under the National Housing Act, 1954. In this connection the legal fees are paid by the borrower in accordance with customary mortgage practice. The corporation has no record of the amount of these fees:

Muray W. Babe, Q.C., 103 Cuthbertson Block, Fort William, Ontario.

Harold G. Blanchard, Q.C., 3-204 Arthur Street, Port Arthur, Ontario.

T. P. Callon, B.A. Sc., 17A South Cumberland Street, Port Arthur, Ontario.

C. B. Devlin, Q.C., 106 Cuthbertson Block, Fort William, Ontario.

Arthur A. Kajander, Q.C., 11-14 Ruttan Block, Port Arthur, Ontario.

James F. W. Ross, Q.C., 7-9 Ruttan Block, Port Arthur, Ontario.

R. L. Seaman, Q.C., Public Utilities Building, Port Arthur, Ontario.

Kenneth A. Stewart, 112 Cuthbertson Block, Fort William, Ontario.

W. J. Weiler, Q.C., Twin City Gas Building, Fort William, Ontario.

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Citizenship—

48. Citizenship registration branch, $845,871.

Immigration branch—

51. Administration of the Immigration Act, $1,388,640.

52. Field and inspectional service, Canada, including $13,000 for grants to immigrant welfare organizations, $7,507,122.

53. Field and inspectional service, abroad, $2,298,559.

54. Trans-oceanic and inland transportation and other assistance for immigrants and settlers, subject to the approval of treasury board including care en route and while awaiting employment; and payments to the provinces pursuant to agreements entered into, with the approval of the governor in council, in respect of expenses incurred by the provinces for indigent immigrants, $2,100,000.

HOUSE OF COMMONS

Monday, February 13, 1961

The house met at 2.30 p.m.

GRAIN

OATS—FINAL PAYMENT ON 1959-60 POOL

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I have a statement to make to the house in regard to the 1959-60 oat pool.

The Canadian wheat board has completed an accounting in respect of this pool as at December 31, 1960. The 1959-60 oat pool has now been closed, and the government has authorized the distribution of the final surplus. Producers delivered 23,660,976 bushels of oats to the 1959-60 pool. The final surplus is $3,852,323.70 after deducting the prairie farm assistance levy and final payment costs and after adding estimated additional interest earnings. The average final payment on the 1959-60 oat account will be 16.281 cents per bushel. This is double the average final payment of 8.138 cents per bushel in the case of the 1958-59 pool.

The final oat payments for the principal grades delivered to the 1959-60 pool are as follows:

No. 2 Canada western	17.146	cents	per	bushel
Extra No. 3 Canada western	17.110	"	"	"
No. 3 Canada western	15.916	"	"	"
Extra No. 1 feed	15.285	"	"	"
No. 1 feed	16.045	"	"	"
No. 2 feed	19.451	"	"	"

The final oat payment will commence today and cheques will be in the mail shortly.

MOTIONS FOR PAPERS

UNEMPLOYMENT INSURANCE—INSTRUCTIONS RESPECTING DISPLACED PERSONS

Motion No. 42—**Mr. Regier:**

For a copy of all correspondence and instructions issued by the Department of Labour to the regional offices of the unemployment insurance commission having to do with displaced persons since January 1, 1957.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have made inquiries from the Department of Labour as to whether any correspondence and instructions have been issued by them to the regional offices of the unemployment insurance commission having to do with displaced persons since January 1, 1957.

I have been advised that no correspondence or instructions have been issued by the Department of Labour respecting this matter. In view of that fact I would ask whether the hon. member for Burnaby-Coquitlam would withdraw his motion.

Mr. Speaker: The hon. member signifies his willingness to withdraw the motion. Has the hon. member leave to do so?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

LIVESTOCK PEDIGREE ACT—HOLSTEIN CATTLE REGISTRATIONS

Motion No. 45—**Mr. Peters:**

For a copy of all correspondence, telegrams, and other documents exchanged between the federal government, or any agency or department thereof, with any other government, organization, or person since January 1, 1952, dealing with the administration, violations or alleged violations of the Livestock Pedigree Act with respect to the registration of Holstein cattle.

Hon. Alvin Hamilton (Minister of Agriculture): With the usual reservations, Mr. Speaker.

Mr. Speaker: Subject to the reservations expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

TRANSPORT

METROPOLITAN TORONTO—REPLY TO REPORTED REQUEST FOR SUBWAY LOAN

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister if he could inform the house whether any reply has been made to the request of the metropolitan area of Toronto for financial assistance in connection with the subway; and if so, could he tell us the nature of that reply?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the reply is being drafted at the present time, and as soon as it is ready to be forwarded and has been forwarded, the house will be made aware of the answer.

LABOUR CONDITIONS

SUGGESTED CONFERENCE OF MANAGEMENT AND LABOUR

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Labour arising out of his recent

statement to the C.L.C. that employment depends to a large extent on management and labour. Would the minister care to say whether the government would be prepared to call a conference of management and labour to discuss this question, as has been requested by Mr. Douglas Hamilton, the secretary of the Ontario federation of labour.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the statement just made by the hon. member for Assiniboia is incorrect. What I did say was that the government had put forward certain measures to stimulate that aspect of the economy in order to provide jobs in the manufacturing and secondary industries, and that the government is prepared to accept any other reasonable suggestions and implement them; that the government will bring about further measures, but this also necessitates the co-operation of industry and labour to bring about productivity and bring the cost of that productivity down to the level where our goods can compete not only in the foreign market but in the domestic market.

Mr. Argue: I wonder if the minister would say whether he is prepared to call a conference of industry and labour so that he may put his views before the conference in order that they might consider appropriate action?

Mr. Starr: This government does not wish to interfere with the affairs of management and labour in their respective spheres. We feel the initiative should lie with them alone, because they too have a responsibility with respect to the affairs of this country.

HEALTH AND WELFARE

RESULTS OF ANALYSES OF WEIGHT REDUCING PREPARATIONS

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): My attention has been drawn to a question asked by the hon. member for Skeena on Friday last pertaining to so-called weight reducing preparations such as Metrecal and Quota. Some analyses of the constituents of these and similar products have been carried out in our food and drug laboratories, following the normal procedure when new products of this kind come on the market.

I am advised that after careful examination the conclusion has been reached that claims made in advertising appear to be reasonable in so far as the normal individual is concerned.

[Mr. Argue.]

FISHERIES

LAKE SUPERIOR—INQUIRY AS TO LAMPREY CONTROL

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Fisheries. Is the minister in a position to inform the house whether the lamprey control program on lake Superior has been successful, and if it is true that a proposal has been made to ban completely any trout fishing on lake Superior next year?

Hon. J. A. MacLean (Minister of Fisheries): I do not wish to be dogmatic with regard to the success of our lamprey control measures on the great lakes, but I can say that considerable success has been achieved by the use of specific poisons known as lampreycides which destroy the larvae of the lamprey in the streams without endangering other forms of life. There has been a fairly extensive program in the course of which lamprey producing streams in this country have been treated with this selective poison.

I do not want to comment on the second part of the question before seeing it in *Hansard,* but I will take it as notice.

NATIONAL DEFENCE

U.S. ARMY POSTS IN CANADA—PUBLIC RELATIONS OFFICERS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of National Defence. In view of the fact that Major General G. R. Pearkes, the former member for Esquimalt-Saanich, while a member of the opposition insisted that those responsible for dealing with the public at United States army posts in Canada should be Canadian citizens, can the minister assure the house that General Pearkes' recommendations have been carried into effect.

Hon. D. S. Harkness (Minister of National Defence): There are no United States army bases in Canada. There are two United States army detachments at Fort Churchill but the base, and everything connected with it, is under Canadian over-all command and Canadian control.

TRADE

RUSSIA—STATEMENT ON REPORTED ABILITY TO UNDERCUT CANADIAN MINERAL EXPORTS

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): On Thursday last the hon. member for Laurier asked the following question:

Inquiries of the Ministry

Has the minister seen the statement by the president of the Asbestos corporation before the Senate manpower committee that Russia is in a position to undercut Canadian exports of minerals to western Europe with low price offerings from communist sources? If so, has he any comment to make thereon?

I have seen the Canadian Press report on statements made to the Senate manpower committee by the president of Asbestos Corporation Limited to the effect that competition from the Soviet union is threatening Canada's export position in Europe, especially with offerings of asbestos.

We have been aware for some time that Canada's position in world markets for asbestos has been challenged due to competition from other sources, but this competition has not come only from the U.S.S.R.

Marketing conditions for Canadian asbestos in western Europe have improved since 1958 and 1959, when competition was most intense. In 1960, for example, exports of Canadian asbestos reached an all time high, and included shipments to Soviet bloc countries.

TRANS-CANADA AIR LINES

PRAIRIE PROVINCES—INQUIRY AS TO INTERCITY SERVICE

On the orders of the day:

Mr. Arthur Smith (Calgary South): Mr. Speaker, I should like to direct a question to the Minister of Transport. On January 30 last in reply to a question directed to him by the hon. member for Medicine Hat dealing with the intercity traffic between various western Canadian cities, the minister made reference to the fact that if it appeared necessary and desirable in dealing with this problem, public hearings might be decided upon. I wonder if I might ask the minister, in view of the interest of a number of western cities, whether a decision has yet been reached to hold these public hearings.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am very pleased to have this opportunity to correct the previous answer I gave. I can state definitely today that prior to the transfer of the licence to operate this milk run, as it is known, there will certainly be public hearings.

Mr. E. W. Brunsden (Medicine Hat): A supplementary question, Mr. Speaker. Will those public hearings be held in western Canada or in Ottawa? Can the minister give any indication when they will be held?

Mr. Balcer: Mr. Speaker, I should not like to state definitely the location of the public hearings. As far as the time is concerned, as I said they will be held prior to the changeover.

UNITED NATIONS

CONGO—REPORTED DEATH OF MR. LUMUMBA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. I apologize for not sending him notice, but this news came to our attention only a short time ago.

Has the minister any information to give the house with respect to the reported death of Patrice Lumumba of the Congo? Has the government given consideration to what contribution we will make to meet the situation that will flow from this unfortunate incident?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I am aware of the radio report that Mr. Patrice Lumumba and two companions have been killed in circumstances which still remain to be clarified. If this report is accurate we deplore very much this act of violence. While Mr. Lumumba has been a controversial figure, the fact remains that he was a duly elected member of parliament and formed the first government of the newly independent republic of the Congo. His death, if it has taken place, is unlikely to settle anything. Indeed, it is more likely to complicate the already difficult task of the United Nations in the Congo and the process of conciliation and pacification which it is seeking to foster. For this reason and of course also, as I have mentioned, on humanitarian grounds the government is very much upset about this reported act of violence.

It is our hope that all parties will exercise restraint in this dangerous situation. As the hon. member knows, Canada is a member of the Congo committee at the United Nations, and throughout has tried to pour oil on troubled waters. We will continue to follow that course if this death has actually taken place.

I believe that the Secretary General of the United Nations asked today for instructions to make an investigation. That request was supported, for example, by the representative of the United States, and an investigation is now under way. The security council will be meeting on the question, I think, on Wednesday.

FINANCE

BANK OF CANADA—REPORTED SALE OF SECURITIES

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, in the absence of the appropriate minister I wonder if I may ask the Prime Minister whether consultations were held between the government and the Bank

of Canada concerning the recent sale by the bank of unusually large amounts of bonds and securities, thereby reducing the available money supply in Canada.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, this is a matter that cannot be dealt with on the orders of the day. I will give consideration to the question and an answer will be forthcoming at the earliest possible time.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO TABLING OF CORRESPONDENCE WITH PREMIERS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder if I might ask the Prime Minister if he is yet in a position to table the correspondence with the provincial premiers.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I said I would table it as soon as I heard from all of the premiers. I think that one or two have not yet replied. If I do not have any replies from them I take it that it will be in order to table the others.

GRAIN

WHEAT—INQUIRY AS TO INTERIM PAYMENT ON 1959-60 CROP

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Can the minister inform the house when he will be able to make an announcement as to the size of the interim payment on the 1959-60 wheat crop?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I hope to have more good news for the farmers tomorrow or Wednesday.

CANADIAN BROADCASTING CORPORATION

REPORTED REDUCTION IN ADVERTISING RATES

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, may I direct a question to the Minister of National Revenue; I am sorry, but I was not able to send the minister notice. Are reports true that there have been serious advertising rate slashes on the part of the Canadian Broadcasting Corporation?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I will have to inquire from the C.B.C. with respect to this matter, and I will advise the house in due course.

[Mr. Regier.]

AGRICULTURE

SNAILS—INQUIRY AS TO PROMOTION OF HELICULTURE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Again I apologize for failing to send notice, but some information have just come to hand in a letter from the United States. In view of the government's interest in the development of the family farm and in view of the increased importations into Canada of snails for culinary purposes, is the government giving any consideration to the promotion of heliculture in this country?

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I will get a dictionary and take this question as notice.

Mr. Pickersgill: And answer it at a snail's pace.

PRIVATE BILLS

AURORA PIPE LINE COMPANY

The house resumed, from Tuesday, February 7, consideration of the motion of Mr. Chown (for Mr. Woolliams) for the second reading of Bill No. S-2, to incorporate Aurora Pipe Line Company, and the amendment thereto of Mr. Peters.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I rise at this time to inform the house that the members of our group will oppose the bill now under discussion. We think a mistake has been made in asking the house to give second reading to the Aurora pipe line bill.

It has been said that what the house is being asked to do today is to give routine approval to a bill that will subsequently go before a committee of this house, and that after the company is incorporated it will then have to get approval from the national energy board before it can in fact export gas, oil or condensates to the United States. While this statement is true, Mr. Speaker, the responsibility of this house to deal with this question cannot be handed over quite so easily to a committee of the house or to a board.

It has been already pointed out on a number of occasions in this debate that a bill passed by this house established a Canadian company which has power to provide a pipe line for the exportation to the United States of products which are covered by the bill under discussion.

Our main objection to the bill now before the house, Mr. Speaker, is based on the very ground that the Conservative party and the C.C.F. took in this house in 1956 during the

pipe line debate, in opposition to the trans-Canada pipe line bill. The bill before us provides for the incorporation of another company that will be under United States control. About two thirds of the shares of the company will be controlled by a United States company, the Continental Oil Company. This is another instance of a great natural resource being controlled in its transportation by a United States company.

We think there are on record, on previous occasions, adequate reasons why this bill should be opposed. The Prime Minister, the Minister of Finance, and other members of the house on a former occasion objected to the Texas buccaneers having a large part of the control of the trans-Canada pipe line company. The Texas buccaneers are involved in this measure. There has been in my judgment, a complete reversal of the stand that was taken by the Conservative party in 1956. By supporting this bill hon. members will turn the ownership, and control of this pipe line over to a United States company. Back in 1956, on June 4, the leader of the opposition at that time, Hon. George Drew, put forward a very important proposition by way of an amendment to the trans-Canada pipe line bill then before the house. I should like to read, if I may, the provisions of that amendment, because I think they might be made applicable at this time to this bill. The amendment is found on page 4673 of *Hansard* for that date, and reads as follows:

That the bill be not now read the third time but that it be referred back to the committee of the whole with instructions that they have the power to amend sections 5, 6 and 7 thereof to include the agreements made with Trans-Canada Pipe Lines Limited as schedules to the bill and add other sections necessary to ensure that the bill shall give effect to one of the following principles.

First, the immediate agreement of Trans-Canada Pipe Lines Limited to reorganize as a company under effective Canadian ownership and control and to undertake construction without a grant of public money, in accordance with the assurances upon which its charter was granted by parliament;

The proposition was that the trans-Canada pipe line company should be reorganized under Canadian control.

Second, failing such agreement, the immediate consideration of other proposals submitted by any other persons or companies for the immediate financing and construction of the pipe line under effective Canadian ownership and control and without a grant of public money;

There is a company already in existence that can do this work and I suggest that this United States proposal to which we are being asked to agree at this time should be opposed by the members of the house, and this bill should be defeated.

Third, enlarge the powers of the crown corporation so that the entire pipe line may be constructed immediately under public ownership.

The Conservatives of that day, Mr. Speaker, went so far as to say that if the government refused to accept the first two propositions then, as a third alternative, the pipe line should be publicly owned. The bill we are being asked to pass today repudiates the whole policy and position taken by the Conservative party in those days. It makes a mockery—

Mr. Nugent: On a point of order, Mr. Speaker, I feel that the present speaker is not confining himself to the principle involved in this bill, according to the ruling you made as recorded on page 1818 of *Hansard*. You said:

As I see it, the principle of the bill is whether this group of individuals petitioning parliament shall be given corporate capacity. I see no principle other than this involved in this bill, whether this particular group of individuals shall be given corporate capacity.

I would ask you, sir, to enforce that ruling.

Mr. Speaker: The remarks, as I followed them, did not seem to me to call for intervention. The hon. member was discussing the desirability of giving corporate powers to this particular group, having regard to the fact that control would be in the United States, as possibly was indicated earlier in the debate. I would not think it proper to interfere.

Mr. Argue: Thank you, Mr. Speaker, for your ruling.

Mr. Chown: Would the hon. member permit a question before he continues? He said earlier in the debate, with some authority, that the shares would be two thirds United States owned. I was going to ask him how he could make that suggestion to the house in the light of the fact that section 3, (a) and (b), simply provides for share capital. No one in this chamber can presume what the apportionment of ownership will be as between the United States and Canada, or as between any particular groups of individuals no matter where they reside.

Mr. Argue: This is a very interesting observation from the hon. member. I think it can only mean one thing, that he is challenging what I have said as not being a statement of fact. It will be very interesting to see, if this motion should pass and the bill come out of the committee, that we have been wrong and this is a Canadian company. I hope I am in error, but I am afraid I am not.

One of my reasons for thinking I am not in error is that the gentleman who introduced this bill in the other place, when explaining it said that the company was

owned one third by the Hudson's Bay Company and two thirds by the Continental Oil Company, the latter being one of the large integrated oil companies in the United States. I am prepared to accept the word of the hon. senator. I hope he is in error. I hope the hon. member for Winnipeg South, who has just asked the question, is right. However, I believe the evidence is that this company is in fact controlled by a United States company.

Mr. Lambert: May I raise a point of order? I think those words used by the hon. member for Assiniboia run counter to citations 482 and 483 of Beauchesne, to the effect that the facts cannot be questioned in the house during the debate on a private bill. These are matters for the committee. There is no question that the facts cannot be discussed during the discussion on second reading.

Mr. Woolliams: I should like to speak to that point of order, Mr. Speaker, if I may. In support of the argument, and even going beyond the authority cited by my colleague, I would say that at the time the earlier debate on the pipe line took place the National Energy Act, which is chapter 46 of the statutes of 1959, had not been enacted. If you refer to section 44 of that act, Mr. Speaker, you will find that when a company makes an application to export gas, even if they are incorporated by a bill they have to be certified by the national energy board. This is the point of order—

Mr. Speaker: If the hon. member is coming to the point of order I would be glad to have his assistance. It seems to me he is answering the argument of the hon. member who had the floor.

Mr. Woolliams: I am coming to the point of order. I think the hon. member is confined more than he would have been in the previous debate because one of the circumstances to be taken into consideration by the energy board is the very fact to which the hon. member has referred. We have this legislation on the books, and that goes beyond the principle of the bill. All we are asking here is the incorporation of a legal entity, not for permission to construct a pipe line or export anything through the pipe line; merely the right to be incorporated. The other right is a right for a court of record, namely the national energy board, to decide when circumstances are set out by evidence, and they make that decision. That is my point.

Mr. Argue: You just want to sell the country to the Americans.

[Mr. Argue.]

Mr. Pickersgill: I wonder whether I might be allowed to say a word on the point of order that has been raised. Do I understand hon. gentlemen opposite to be seeking to restrict debate in this chamber on a pipe line?

Mr. Argue: A point of order has been raised as to whether hon. members may discuss the ownership of the proposed pipe line on second reading, since the national energy board has power, according to section 44 of the act, to take into account the extent to which the Canadians will have the opportunity to participate in the financing. I would point out that in the National Energy Board Act there is no provision which requires Canadian ownership of a pipe line of this description. It is obvious that this pipe line is not to be Canadian owned. For that reason I am expressing opposition to the passage of the bill.

Mr. Speaker: Order. The parliamentary secretary has raised a point of order which draws a distinction between the scope of debate on a public bill and that on a private bill. I think I might read citation 482 of Beauchesne's fourth edition, to which I am referred:

> A public bill being founded on reasons of state policy, the house, in agreeing to its second reading, accepts and affirms those reasons; but the expediency of a private bill, being mainly founded upon allegations of fact, which have not yet been proved, the house, in agreeing to its second reading, affirms the principle of the bill, conditionally, and subject to the proof of such allegations before the committee. Where, irrespective of such facts, the principle is objectionable, the house will not consent to the second reading; but otherwise, the expediency of the measure is usually left for the consideration of the committee. This is the first occasion on which the bill is before the house otherwise than pro forma or in connection with the standing orders; and if the bill be opposed, upon its principle, it is the proper time for attempting its defeat.

Citation 483 is to somewhat the same effect. Undoubtedly there is a narrower margin for debate on a private bill than on a public bill. This is a private bill. At an earlier stage in this debate I endeavoured to prevent the house from embarking upon a general debate on the economics of the oil industry. However, it seems to me that it is relevant for an hon. member to express some views on the question of whether another pipe line company should be formed on such material as is before the house. It is true that the future and the intentions of this company are not relevant so much as the powers which it seeks to acquire. The powers are relevant because that is the principle of the bill; this particular group of petitioners have come before parliament asking to be given as a corporation the power to operate a pipe line company.

As certain facts have been discussed in debate in this house and the hon. member has quoted from what has been said in debate—it is true in the other place—if he does not attempt to extend his allegation of facts to too great a degree, I think I should allow him to proceed.

Mr. Argue: Thank you, Mr. Speaker. The house is being asked to give second reading to this bill, which is approval in principle. It is perfectly true that it is a conditional type of approval, in that the bill will be placed before a committee of this house for detailed examination. The bill might be killed in the committee; it might be referred back to the house in a different form.

Mr. Speaker, what we are objecting to is any kind of approval of this bill, whether conditional or unconditional. We think it is a thoroughly bad bill. We think the people of Canada in the past, when they have had a chance to make a judgment, have shown that they favour Canadian development of gas pipe lines in this country. The Conservative government is in power today in this country to a substantial degree because of the public support that was given to the opposition parties of the day in opposing pipe lines in this country being owned and controlled by outside capital. Today I am opposing this bill, as is the C.C.F.-New party, because we think it is a thoroughly bad bill, an un-Canadian bill, and one that goes counter to the public statements of the Prime Minister and the Minister of Finance made on many occasions. We think the passage of this bill to set up another United States company is not in the interests of Canadians at this time. For the life of me I cannot understand why there appears to be—and only a vote on this matter will show whether or not I am correct—such general and widespread approval of United States buccaneers owning this pipe line in opposition to the stand taken by Conservative members of parliament in this House of Commons on so many occasions.

Mr. Woolliams: Will the hon. member permit a question.

Mr. Argue: Yes.

Mr. Woolliams: Would the hon. member say that the Hudson's Bay Company of Canada is a United States buccaneer company.

Mr. Argue: Yes; not the Hudson's Bay Company but the Hudson Bay Oil and Gas Company Limited. I am saying that the Hudson Bay Oil and Gas Company Limited is a company that is controlled by United States interests.

Mr. Woolliams: I wonder whether the hon. member would permit another question.

Mr. Argue: The hon. member for Bow River can make his own speech. He will have an opportunity to show how much he loves the Texas buccaneers. The Tories did not formerly love them, as you know, Mr. Speaker, but they have changed. Since the Tories got into office the Texas buccaneers became fine fellows. The Tories are for them now. Even though a Canadian company could do the job, they are rising in their places in a unified chorus today giving their "Amen" to a bill which will turn a pipe line over to United States control.

I commend to the consideration of hon. members opposite the words of Senator Brunt when this bill was discussed at the second reading stage. It is true that he did not come out in full opposition to the bill, but he set forth some grave doubts and the reasons for his doubts as to the effect of this kind of procedure.

Mr. Speaker: Order. I think the hon. member is going beyond our practice in quoting opinions expressed in the other place. After all, we are supposed to make up our own minds. It is permissible to read from the records of the other place, but not to quote opinions expressed in debate in the other place.

Mr. Argue: Mr. Speaker, until this moment we seem to have had one consistent rule in this debate, namely to keep on doing in the future what had already been done in this debate. Reference has been made to the hon. senator, and quotations have been made. That is the reason why I referred to him at this time. You are perfectly, correct, Mr. Speaker, in saying that it is not the custom of the house to quote statements made in the other place, nor do I think it is in order to do so. The records can be quoted, but *Hansard* is not the official record of the other place. Since these statements by this hon. gentleman have already been placed on the record I felt that at least in this debate this kind of thing was proper and was being accepted.

The motion before the house is to give this bill the six months' hoist. This is the normal practice to show strong opposition to such a measure. We will vote for the six months' hoist; we will vote to kill this bill, because we think gas pipe lines in this country should be Canadian owned. We would go further. We would say that in the building of pipe lines in this country there is a place for public ownership, for public investment. We prefer, as a first choice, a publicly owned utility. If that is not possible, if it does not seem practical, we suggest there should be a measure of public investment in all these pipe

lines; but the very minimum we insist upon is Canadian ownership and Canadian control. We object to this government's about face from the commendable stand it took in this house on a former occasion.

The house divided on the amendment (Mr. Peters) which was negatived on the following division:

YEAS

Messrs:

Argue	Peters
Herridge	Pitman
Howard	Regier
Nasserden	Winch—8.

NAYS

Messrs:

Aitken, Miss	Hamilton (Qu'Appelle)
Anderson	Harkness
Asselin	Hees
Badanai	Henderson
Balcer	Hicks
Baldwin	Hodgson
Baskin	Horner (Acadia)
Batten	Horner (Jasper-Edson)
Beech	Horner (The Battlefords)
Bell (Carleton)	Howe
Bell (Saint John-Albert)	Jones
Benidickson	Jorgenson
Boulanger	Jung
Broome	Kindt
Browne (St. John's West)	Korchinski
Browne (Vancouver-Kingsway)	Kucherepa
	LaMarsh, Miss
Brunsden	Lambert
Cadieu	Leduc
Campbell (Lambton-Kent)	Legere
	MacLean (Queens)
Campbell (Stormont)	MacLean (Winnipeg North Centre)
Cardiff	
Cardin	Macquarrie
Caron	MacRae
Carter	McBain
Casselman, Mrs.	McCleave
Charlton	McFarlane
Chevrier	McGee
Chown	McGrath
Churchill	McIlraith
Clancy	McIntosh
Coates	McLennan
Comtois	McMillan
Creaghan	McPhillips
Crestohl	McQuillan
Crouse	Mandziuk
Danforth	Martel
Denis	Martineau
Deschatelets	Martini
Dinsdale	Matthews
Doucett	Michaud
Dubois	Milligan
Dumas	Mitchell
English	Monteith (Perth)
Fairfield	Montgomery
Fane	More
Flemming (Royal)	Morissette
Forbes	Morris
Frechette	Muir (Cape Breton North and Victoria)
Granger	
Gundlock	Muir (Lisgar)
Habel	Nesbitt
Hales	Nielsen
Halpenny	Nowlan
Hamilton (Notre Dame de Grace)	Nugent
	O'Hurley
O'Leary	Smallwood
Pallett	Smith (Calgary South)
Pascoe	Smith (Winnipeg North)
Phillips	Southam
Pickersgill	Starr
Pugh	Tardif
Racine	Taylor
Rapp	Thomas
Regnier	Thrasher
Richard (Ottawa East)	Villeneuve
Robichaud	Vivian
Rogers	Webb
Sevigny	Weichel
Simpson	Woolliams
Skoreyko	Wratten—139.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, we are asked by means of a private bill to endorse in principle the organization of another pipe line. As we understand it, this pipe line is going to be largely owned outside of Canada, and if permitted to be built the operation of this pipe line will injure the interests of an existing pipe line that has already been authorized to do this work by a previous parliament.

I find it difficult to understand why hon. members would endorse the principle of inviting a foreign owned pipe line into Canada in order to ruin a bona fide Canadian company. I also have difficulty understanding why a private bill should become a matter of party politics. I do not see that the life of the government is involved in this bill. There is a growing tendency in Canada to make even private legislation a matter of party politics. I regret that development. The government's life is not involved here. This is not a government sponsored bill. I cannot understand why political parties have to take party line positions with respect to private bills, and I deplore this development.

Legislation offered to us by the government, if it is not of major significance, ought not to be subject to the whips of the parties. This is not a new tendency but it is a growing one. Party lines are the determining factor with respect to legislation even including private bills. I conclude my remarks with this observation. I believe that political parties ought to be cut down to size and members of parliament restored to their proper status so they can make up their own minds whether this bill and others of a similar nature are in the interests of the nation rather than of the political parties.

Mr. John Pallett (Parliamentary Secretary to the Prime Minister): Mr. Speaker, just so there will be no misunderstanding, let me say that the hon. member who has just spoken and who has had some experience in this house should know better than to make the suggestion he just made. The party whip is in no way involved in the decisions that are taken by hon. members in the private members' hour.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I thank the chief whip of the Conservative party for making abundantly clear the position of hon. members opposite, namely that members have complete freedom to vote any way they see fit on a bill like this without pressure being exerted in any way. That makes the position of hon. members opposite all the more amazing to me. It is a matter of amazement to me that in a case where the whip has no opinion and says "Vote as you like", all but one hon. gentleman of the government party have voted in favour of turning over this utility to United States interests. This is a black day for Canada—

Mr. Speaker: Order. I think the hon. member is miscontruing the scope of the debate. To discuss what is the undoubted privilege of hon. members to vote as they see fit is quite outside the scope of this debate. Perhaps I should have intervened when the hon. member for Burnaby-Coquitlam began in that line. It is not relevant to this bill, and it contravenes our practice to have the course of action of hon. members in voting, and their decision when it has been taken, challenged in that way.

Mr. Argue: By their vote hon. members opposite have shown that they are in support of this bill. This is amazing to me. I cannot understand it. It is a dark day for Canada when hon. members vote for a bill which if given the approval of this house in all its stages will turn over to foreign interests a Canadian utility. This is a depicable decision—

Mr. Pugh: Mr. Speaker, I rise on a question of privilege. My understanding was that we were voting on giving this bill a six months' hoist, not on the principle of the bill. We were voting on the C.C.F. amendment. That is certainly the basis on which I voted. I do not like the imputation the hon. member for Assiniboia is making. I do not like the inference he draws as to why I voted in a given way, and I ask him to withdraw his imputation.

Some hon. Members: Hear, hear.

Mr. Argue: I have nothing to withdraw.

Mr. Speaker: I attempted to follow what the hon. member said. What was the imputation the hon. gentleman felt should be withdrawn?

Mr. Pugh: The hon. member for Assiniboia stated that all hon. members of this house who did not vote his way were in favour of turning over this resource or utility to United States or Texas buccaneers—whatever he chose to call them—and the fact is that the vote took place only on the C.C.F. amendment.

Mr. Argue: Are you in favour of the bill or against it?

Mr. Pugh: I am in favour of having a decision reached and nothing else.

Mr. Speaker: I think the hon. member is stretching the rule in asking for that interpretation. The point he made in correcting the hon. member was appropriate enough, but to draw conclusions from the fact that hon. members vote a certain way is the privilege of every hon. member of the house, provided it does not reflect on the personal conduct of the individual, and I see nothing of that kind.

Mr. Broome: Mr. Speaker, on the question of privilege, I think the word employed by the hon. member in describing the conduct of hon. members was "despicable". That is strong language to use with respect to a vote on an amendment to give the six months' hoist to this bill. I take exception to the hon. member's remarks. My stand with respect to Canadian control of industry is well known in this house, and I have objected to the loss of Canadian control more strongly than hon. members of the opposition have done.

Mr. Argue: We are getting too thin skinned around here. It is not my practice in this house to jump up every time forceful language is used. On one occasion I used the word "baloney" and I had to withdraw it because it was said to be unparliamentary and undignified.

I was challenged earlier on my statement that this company was United States controlled. I used as evidence—and Your Honour pointed out that I could not quote someone in the other place—a statement that had been made on the introduction of this bill there. However, I think I am in order in referring to the remarks made by the hon. member for Vancouver East, whose statement has been unchallenged. I am quoting from page 1130 of *Hansard* of January 17, where the hon. member is reported as having said:

> I sent for the last report of Hudson Bay Oil and Gas Company Limited, on page 14 of which I find that the Continental Oil Company of Houston is said to own 67.8 per cent of the common stock of Hudson's Bay Oil and Gas Company Limited. The remainder is owned 22.6 per cent by Hudson's Bay Company of England and 9.6 per cent by the United States and Canadian public.

Could anything be clearer than that to demonstrate that this company is controlled by United States interests? I have another authority that I should like to quote whom hon. members opposite might find even more interesting than the quotation from the hon. member for Vancouver East, who read the annual report of the company. I refer to the

statement made in this house in 1956 by Hon. George Drew, as recorded at page 2177 of *Hansard*, as follows:

> The present distribution of the ownership of this enterprise shows also that the control is in the hands of financial interests in the United States; that it is definitely under the control of these immensely powerful financial interests: Canadian Gulf, Hudson Bay Oil and Gas and Tennessee Gas Transmission.

Therefore if hon. members opposite did not know that Americans own this company, the former leader of their party in 1956 knew the composition of the ownership of it and objected in a strenuous way to the company having greater and greater control over pipe lines in Canada. I have a further quotation that I should like to use, and it is Hon. George Drew once again in the pipe line debate, as recorded at page 2181 of *Hansard* of 1956, as follows:

> Contrary to what the minister of trade and commerce has said, this is the occasion to focus attention on our resources. This is the only place to do so, and this is an opportunity to declare our economic independence of the United States.

This is what the leader of the Conservative party said at that time:

> This is the only place to do so, and this is an opportunity to declare our economic independence of the United States. This is the time to plan to make full use of the resources that God has given us.

Instead of following their former leader, hon. members opposite are fighting for a principle which, when carried out, will increase the extent to which the Canadian economy is shackled to the United States giant. What a reversal of policy. The leader of the opposition of that day went on to state, and I quote from the same page of *Hansard*:

> No matter how friendly any other nation may be, I submit that it is our duty as the representatives of the people of Canada to follow a course that will assure Canada's economic, as well as political, independence. That cause is not served by the resolution now presented to us.

I suggest, Mr. Speaker, that the cause of Canadian economic and political independence is not served by the bill now before us, and that it should be rejected by this house. I have other quotations from other members of the Conservative party of that day which show that the Conservative party when in opposition was very much in favour of a Canada that was economically independent and free of economic control by United States interests in utilities so important as a gas line.

The hon. member for Rosthern has shown by his vote today that he too is concerned over the growing United States control of this industry. I commend him on having voted that way on the motion calling for a six months' hoist. I express the confident hope that he will be consistent and oppose the second reading of this measure. I am sure that if Hon. George Drew were in the house today he would not lend his support to the passage of this iniquitous bill.

[Mr. Argue.]

Mr. Woolliams: Mr. Speaker—

Mr. Speaker: I must inform the house that if the hon. member for Bow River speaks now he will close the debate.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, in rising to support my own bill I would first like to thank the hon. member for Winnipeg South (Mr. Chown) for his assistance during the time I was unavoidably absent from the house.

I should like to deal first with the references to the principle of the bill which we are debating. The petitioners, the Hudson's Bay Oil and Gas Company Limited, are simply asking for the incorporation of a federal company. They are not asking for the right to build a pipe line; they are not asking for the right to export any commodity through a pipe line; they are merely asking this House of Commons for a certificate of incorporation to incorporate a company. I think that is the first principle we should consider in reference to this bill.

It may be of some interest to look at the record for a few moments in reference to the bill itself. I am going to review this matter very briefly. The petitioners are the two vice presidents, and council as I just said, of the Hudson's Bay Oil and Gas Company. Approximately 10 per cent of the shares of the company is held by 12,000 public shareholders; 22 per cent is held by the Hudson's Bay company; and 68 per cent is held by the Continental Oil Company.

Let us take a look first of all at the 10 per cent that is held by the public shareholders. I am not sure who those shareholders are, or will be, but there are some Canadian investors. Twenty two per cent is owned by the Hudson's Bay Company which, of course, as everyone knows, received a charter to operate its business in Canada by royal declaration. I would say it is wholly a Canadian company. The Continental Oil Company have 68 per cent of the stock. This is how the shares are distributed.

The company is interested in this project and it is designed to assist in the solution of a problem which has arisen in that part of Alberta which is the Pincher Creek area, the southern part. In the process of making natural gas there are different by-products and condensates produced. Let us put it in ordinary layman's language. Condensate is similar to crude oil, the only difference being that you can make one and one half times more gasoline from condensates.

In answer to some of the arguments in the debate, there have been discussions with reference to the obtaining of a market for petroleum in the province of Alberta. Since I come from the province of Alberta I should like to see an enlarged market. I am one who wants to see condensate exported, and the cheapest and the only way in which it can be exported from the fields in Alberta is of course, by pipe line.

Therefore when we start talking about by-products we are talking about something the average man uses. It is gasoline for his automobile; that is the by-products. It is interesting to note also that if this company is able to sell, transport and export those by-products from the province of Alberta, then the consumer of natural gas would get a reduction in rates and would thereby make a saving.

I should like now to refer to this red herring, as I call it, which relates to our position in so far as United States capital and United States companies operating in Canada are concerned. My answer to that is briefly this. I have never considered any words used by any members of the cabinet or any members of the government as being against capital coming from anywhere, whether it was from the United States or any country in Europe. The only thing for which this government has stood, and I am proud to be a Conservative in that regard, is that Canadians can compete on equal terms with capital coming into this country from other sources. There have been times in the history of this country, such as 1915 and the boom in the 1920's and the 1950's, during which United States capital and capital from other countries was needed in order to develop the resources of this country. I say that is a red herring when they talk about turning our industry over to the buccaneers.

The truth is that the buccaneers of the province of Saskatchewan, the socialist government, chased capital out of that province so that now they have not industry comparable to that of the province of Alberta. The truth is that the budget of the province of Alberta is three or four times greater than that of the province of Saskatchewan because we have encouraged capital, not only Canadian but other capital, to pour into that province and develop our resources so that Canadians in that province will have employment. Those people over in that corner are always talking about unemployment. I am one of those who believe that if we can develop our industry, then one of the first things to do is incorporate a company for a purpose. Once that company is incorporated for a purpose it gets into business and, with the proper flow of capital, provides jobs for Canadians. These C.C.F. people talk about unemployment, but they merely give lip service to the problem of unemployment for the purpose of buying votes and not for the purpose of getting industry going to develop the resources of this country.

I should like to answer two or three remarks made by the hon. member for Vancouver East. As I said the other day, there is one thing that differentiates the hon. member from the other seven in that group. Even though I disagree with him, he always has something to say. He did say this, as recorded on page 1129 of *Hansard* for January 17, 1961:

> —I simply cannot understand how a Tory could sponsor this bill when one calls to mind the principles expounded with such verbosity by the Minister of Finance (Mr. Fleming) in his baby budget relating to Canadian control and Canadian development of Canadian companies.

First of all, I have answered part of that statement. I should like to make my own position clear. I am a backbencher, but as a backbencher I am not a seal. I am not one who always goes along with everything that someone else may suggest, whether it comes from the front benches or some of the back benches. I say that any political party will be healthy, Mr. Speaker, if it has men such as we have in our party who are independent thinkers. They can consider a problem and arrive at a compromise. I moved this bill as a private member, and it has nothing to do with the government. I moved it as a private member because I believe in the economic welfare of my province.

If we have this company incorporated, then it will have the right to go to the energy board. Let us look at that argument for a few minutes. If I followed the argument of hon. gentlemen correctly, and it is sometimes difficult to follow them, they were opposed to this bill because 68 per cent of the stock of the petitioner is owned by a company in which the majority shareholders are from the United States. These gentlemen believe, therefore, that these petitioners should not be granted the right to incorporate a company because there might be United States capital used.

Let me put this to you. If the Foothills Pipe Line Company is incorporated, they can go before the Alberta conservation board. Then they may go before the national energy board. There may be other pipe line companies in Alberta that have the same interests as this company seeking incorporation through this bill. Other companies, already incorporated, can go before the national energy board. If this house does

not approve this bill, then are we not discriminating against these petitioners? I believe that kind of discrimination will kill industry and, of course, cause unemployment.

Let us look at the national energy board. If this company is incorporated, the terms of incorporation do not give it the right to build a pipe line or to export condensate through a pipe line to Montana or somewhere else. This will merely create a legal entity, and that legal entity will then be able to go before the national energy board. If my memory serves me right, those men in the corner who spoke this afternoon supported the establishment of the national energy board. Why was it set up? What was its purpose? If I may take a few minutes, I should like to review that because it does somewhat answer the arguments put forward by the opposition to this particular petition.

If you refer to section 10 of the National Energy Board Act—I am not going to read it—it describes the board as a court of record. What is a court of record? Let us get our facts straight.

Mr. Peters: Tell us; do not beat around the bush.

Mr. Woolliams: I will not beat around the bush as you have been doing for years. If you listen you will learn something. A court of record weighs the evidence, pro and con, with relation to an application. Let us look at section 27 of the National Energy Board Act.

Mr. Peters: Tell us the first one; do not go on to something else.

Mr. Speaker: Order. The hon. member for Timiskaming is not called upon to comment upon everything that is said. He will have his opportunity to speak.

Mr. Woolliams: Before a pipe line can be built in this country, approval of the national energy board must be obtained under section 27 of the said act. The applicant must receive the right to export a commodity through a pipe line. This company or the Foothills Pipe Line Company or any other company that is incorporated which desires to export condensates or any other by-product must get a certificate from the board.

Let us analyse section 44. When the government introduced the bill to establish the national energy board, all these points that have been raised by my good friends in the corner must be considered by the board. This is now a question of law. Let us look at some of these things this court of record will consider. They will consider, first, the availability of oil or gas to the pipe line or power to the international power line; second, the existence of markets, actual or potential; third, the economic feasibility of the pipe line or international power line; fourth, the financial responsibility and the financial structure of the applicant, the method of financing the line and the extent to which Canadians will have an opportunity to participate in the financing, engineering and construction of the line.

When these people in the corner refer to this party as supporting United States buccaneers, Mr. Speaker, I do not know what they mean by that statement. This is one of the things spelled out in the National Energy Board Act by this government and by this party in order to protect Canadian interests, to ensure that Canadian interests have a fair shake with any other financial interests in this land of ours in the development of our resources, whether it be petroleum, natural gas or any other resource.

This board is made up of reliable personnel. Before they would consider an application by this company in question they would take into consideration all the factors set out in section 44 of the said act.

I therefore, say, Mr. Speaker, that all this talk by the C.C.F. in this debate about handing over our resources to the Americans or to anyone else is plain hogwash. The fact is that the national energy board was set up by this party and by this government for the sole purpose of protecting Canadians in Canada operating in competition with United States capital or with capital coming in from anywhere else. Surely that is fair and square treatment. That is why many hon. members in this house rose on points of order in order to state that all we are asking for is merely the right to incorporate a company which will go before a board governed by certain principles of law and brought into being by this party for the protection of Canadians, in order to obtain that certificate. The function of the energy board is to determine who shall build pipe lines and who shall export products.

We might go back for a moment to the question of the debate on the national energy board. I should like to read from my own remarks in that regard as follows, as reported at page 3980 of *Hansard* of May 25, 1959:

> In brief, I commend this legislation to hon. members because the authority to permit the building of a pipe line and the obtaining of an export licence are under the jurisdiction of one body, the energy board.

As found at page 3981 of *Hansard* of 1959 I pointed out that was the very reason the board was set up, and provision was made for flexibility. The right to build a pipe line and the right to export whatever it is you are going to export through the pipe line can be determined by the board expeditiously by using the same evidence and the same records,

something which makes this board, as I have said before, a court of record. Therefore to these people who have been critical in reference to this matter I say that this is no move on my part personally or on the part of anyone who may have supported me in this regard. We are merely asking—and I am going to repeat the request—for the right to incorporate a company.

I often wonder what might happen in this country in the future if men like those seven or eight in the corner had an opportunity to form a government and keep out capital that developed the resources of this country in order to give Canadians jobs. Those people merely give lip service to principles. They live in the hope that there might be a recession or depression in this country so they can say, "Here we have unemployment; you people are to blame".

Mr. Howard: That is not so.

Mr. Argue: That is a despicable statement.

Mr. Woolliams: I say to those hon. gentlemen that history will bear me out in that regard. As they said in their Regina manifesto, their job was to go out and eradicate capitalism in any form they might find it. The fact is that Canadians have eradicated the C.C.F. To the men in the corner who have been so critical and who have tried to blackmail this party through presenting this bill to create a company, as a matter of fact all they have done is to drag a red herring through the whole debate in order to get a little bit of publicity, which they love on this occasion as on other occasions, and in the hope of being able to increase their little flock, like a mother hen, when the next vote is called in this country.

I have said all I wish to say on this bill, Mr. Speaker.

Mr. Argue: You laid an egg this afternoon.

Mr. Woolliams: I may lay eggs and I may say that I have seen the hon. member for Assiniboia lay a great many eggs, but many times they are bad eggs as far as our economy is concerned.

The house divided on the motion (Mr. Chown, for Mr. Woolliams) which was agreed to on the following division.

Division

YEAS

Messrs:

Aitken, Miss
Anderson
Asselin
Badanai
Balcer
Baldwin
Baskin
Batten
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Benidickson
Boulanger
Bourbonnais
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Brunsden
Cadieu
Campbell (Lambton-Kent)
Cardiff
Cardin
Caron
Carter
Casselman, Mrs.
Charlton
Chevrier
Chown
Churchill
Clancy
Clermont
Coates
Comtois
Creaghan
Crestohl
Crouse
Danforth
Denis
Deschatelets
Dinsdale
Doucett
Dubois
Dumas
Dupuis
English
Fairfield
Fane
Flemming (Royal)
Forbes
Frechette
Gundlock
Habel
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (Qu'Appelle)
Harkness
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Jung
Kindt
Korchinski
Kucherepa
Lambert
Leduc
Legere
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacRae
McBain
McCleave
McFarlane
McGee
McGrath
McIlraith
McIntosh
McLennan
McMillan
McPhillips
McQuillan
Mandziuk
Martel
Martini
Matthews
Meunier
Michaud
Milligan
Mitchell
Monteith (Perth)
Montgomery
More
Morissette
Morris
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nesbitt
Nielsen
Nowlan
Nugent
O'Hurley
O'Leary
Pallett
Parizeau
Pascoe
Phillips
Pickersgill
Pigeon
Racine
Rapp
Ratelle
Regnier
Robichaud
Rogers
Rompre
Skoreyko
Smallwood
Smith (Calgary South)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Starr
Tardif
Taylor
Thomas
Thrasher
Tucker
Valade
Villeneuve
Vivian
Webb
Weichel
Woolliams
Wratten—140.

NAYS

Messrs:

Argue
Herridge
Howard
Peters
Pitman
Regier
Winch—7.

Bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

Private Bills

INCOME TAX ACT

PROPOSED EXEMPTION FOR COSTS OF TUITION, BOOKS, ETC.

Mr. L. D. Crestohl (Cartier) moved:

That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act so as to provide for the exemption from income taxes of tuition fees paid to universities, vocational training schools, military colleges, academies and other institutions of higher learning, as well as the costs of all textbooks and scientific equipment necessary to the courses followed in these institutions of learning.

Mr. Speaker: Before the hon. member begins, I wonder whether he would agree with me that to some extent his motion is anticipated by the budget resolution which now stands before the committee of ways and means and which covers tuition fees. That, of course, does not apply to the remainder of the hon. member's motion, but to that extent the debate would be somewhat curtailed.

Mr. Crestohl: If I may I should like to point out at the outset that in my humble opinion they are altogether different motions. It is true that in the course of the discussion the question of university fees or higher education may come up, but the objectives these motions seek are as far apart as could be imagined.

I respectfully point out at once in what way I think they are so vastly different, and I should like to do this at the outset in order to emphasize that we are not covering the same ground. I find, for example, that the resolution which the Minister of Finance (Mr. Fleming) has on the order paper refers to an exemption for students only; exclusively those students who are attending a university, and those students who are making income tax returns. My resolution suggests income tax relief for anyone who pays income tax; it might be, for instance, a father, or it might be an uncle who wishes to educate a nephew, or a niece.

There is a second difference which is basic. The minister's resolution exempts the fees only. My resolution seeks an exemption in respect of the cost of textbooks and scientific instruments and equipment used in scientific institutions. Take, for example, students of medicine who must use microscopes. These instruments can be very costly indeed. I am asking for exemption in this sphere, too.

There is a third difference which is also very important. The minister's resolution refers to full time students only, meaning students who are attending universities all day and taking a full course. My resolution goes beyond that. It calls for an exemption in respect of fees paid by everyone including students who are following courses in the evening, those who have to work during the day and who are attempting to improve their education. These are the people who really need such assistance as I am proposing. My resolution also refers to part-time students, not necessarily to students who are taking the full course.

Then again, the minister's resolution refers to exemptions only in respect of courses leading to a degree. Now there are schools of higher education whose courses do not always lead to a degree. For example, a student might be taking a post-graduate course in languages, without aspiring to a degree; or he might be taking a partial course in one branch of higher education or another which would not lead to a degree. Again, he might be attending a conservatory of music, which does not confer degrees.

Mr. Bell (Carleton): Mr. Speaker, would the hon. member permit a question. Is the hon. gentleman not aware of the second phrase in the resolution referring to a student in full-time attendance at a college or other educational institution in Canada in a course at a post-secondary school level? The hon. member is referring only to the first phrase in the resolution.

Mr. Crestohl: That clause reads very peculiarly. If it is intended to allow courses to be taken at universities which courses do not necessarily lead to a degree, then why not include it in the first part of the resolution? You therefore create a conflict. How will it be interpreted when the time arrives for interpretation? I see a serious doubt arising from the wording in the minister's resolution. I hoped that my resolution would make the situation abundantly clear.

While the resolution of the minister goes some distance toward meeting the problem of higher education I should like to see specified, for example, vocational training schools which do not give a degree as well as seminaries that lead to advances in religious training. Schools and seminaries are contributing in an important way in the field of education and should be assisted.

I hope I have made abundantly clear that there is some merit in discussing my resolution to a point without treading on the ground covered by the other resolution existing on the order paper.

Mr. Speaker: I think the hon. member has drawn a good many distinctions between the income tax resolution on a similar subject and his own motion. There is some area which is coincidental and it may not be necessary to debate the issue of the deduction of the fees of full-time students in courses leading to degrees. I raised the question so that we would not have to interrupt the

debate after it got started in applying any rule against anticipation. It would be better practice, of course, not to advocate in this motion or debate the precise matters which are already on the order paper and before the house in another capacity but I think that will be found to be not too restrictive.

Mr. Crestohl: I shall certainly be circumspect about that, Mr. Speaker. It was not my intention to do that.

Interestingly enough, my resolution has been on the order paper for a number of years. Had the minister's resolution appeared on the order paper before mine I might have considered the matter in a different light. It is quite possible, too, that the existence of my resolution on the order paper for a number of years served to nudge the minister into the direction of thinking there might be some merit in the proposal. The hon. gentleman did incorporate only a small part of my resolution. I wish the minister had gone further. I should have been glad to withdraw my resolution. However since he has not gone further, perhaps we are entitled to conclude that we have nudged him a little way and at the conclusion of this debate we might succeed in nudging him a little further.

Mr. Bell (Carleton): I do not think the hon. member can take that responsibility.

Mr. Crestohl: I must also point out that I have no other way of proceeding in this matter. There is no other way open to me to induce the minister to accept the additional features contained in my resolution. I cannot move an amendment to a money measure. If the house should favourably consider my resolution perhaps the minister could be persuaded to be more consistent and to cover the whole ground at a later time.

Mr. McCleave: Mr. Speaker, would the hon. member permit a question. How long has he had his resolution on the order paper? Starting in what year?

Mr. Crestohl: If I could hazard a guess, at least five years.

Mr. Pickersgill: Before the hon. member for Halifax was here.

Mr. Crestohl: The hon. gentleman who raised this question is familiar with the fact that there is some difficulty connected with private members' resolutions finding their way and being reached on the order paper. Rarely are they reached on the order paper in the same session in which they are submitted. When the time comes close for them to be discussed they are chosen by some form of rotation or lot. Consequently there is no opportunity for an hon. member to have his resolution proceeded with until a lapse of some time has transpired even though he conceived the proposal as many as five years before.

I do not propose to review the importance of higher education. It is important to the future of a progressive country. If I remember correctly, there was a private hon. member's bill debated in the last session which gave an opportunity for a full dress debate on the subject. At this point I should like to read into the record my resolution which is in the following words:

> That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act so as to provide for the exemption from income taxes of tuition fees paid to universities, vocational training schools, military colleges, academies and other institutions of higher learning, as well as the costs of all textbooks and scientific equipment necessary to the courses followed in these institutions of learning.

Under our constitution the field of education comes under the jurisdiction of provincial government. There has been a progressive and growing tendency in the last few years for the federal government to concern itself with the importance of higher education and an effort has been made to make higher education available to as many students as possible. Not long ago this house passed a measure providing assistance to universities. We as hon. members of this house should do what we can to make higher education available to as many as possible. One direct way of doing it would be to amend the Income Tax Act in the way envisaged in my resolution.

There are some countries—and one notable one—where students pay no fees for university education. That is an ideal situation in a country that is concerned with making education as widespread and readily available as possible. In other countries students fees are nominal. The fees students in Canada are called upon to pay are higher than those paid in most countries including the United States.

We are approaching a period—if it has not already arrived—where higher education is vital and where scientific training and training in various skills assume increasing importance. If we make prohibitive the cost of obtaining education in any of these fields we are not going as far as legislators should go in this area. We have the obligation as public men to make available to students increased opportunity of acquiring education. The steps represented by the resolution will be of some assistance in achieving this desirable end.

University education will certainly be available to many more young men and

women. As I said a moment ago, an education is no longer a luxury. It is a necessity. First of all, all parents are anxious to give their children an education, but a great many of them find it a struggle. We constantly hear stories, and facts have been presented to us, that children must be taken out of school. Promising and successful students must be taken out of college because their parents cannot afford to keep them there.

The adoption of this resolution would make it possible for relatives to assist in the education of children. An uncle or an aunt who may not be blessed with children of their own, may be in the position where they have a nephew or a niece whom they might wish to educate, and I am sure they would be prompted to do this if they could get exemption from income tax on the amount spent to educate students. Then, too, large corporations or employers of labour would arrange to see that promising children would be able to go to university. Certainly, those organizations will help to pay school fees if they know that they will be exempt from income tax on the amount spent in that way.

I do not wish to belabour this point very much. I know that people all across the country are concerned with the possibility of getting relief by way of income tax on the amounts paid in school fees, and so forth. It might be of interest to refer to some correspondence which I have received. I will read a letter from the students administrative council of the University of Toronto:

Dear Mr. Crestohl:

I am directed by the students' administrative council to advise you that the council, representing the undergraduates of the University of Toronto, supports wholeheartedly the private bill which they understand you intend to introduce in the House of Commons. We understand this bill suggests the government consider the advisability of amending the Income Tax Act in order to provide exemption from income taxes of tuition fees paid to universities as well as the cost to students of all textbooks and scientific equipment necessary to the courses followed in these institutions of learning.

Mr. Bell (Carleton): May we have the date of that letter?

Mr. Crestohl: The date of the letter is February 10, 1954, just about the time that my resolution appeared for the first time. I have another letter from a civil servant in the city of Verdun, which reads as follows:

(Translation):

Dear Mr. Crestohl: I read with much interest the motion which is to be presented to the Ottawa legislature with regard to the exemption from income taxes of tuition fees, etc. for young people who are studying at a university, technical school or the like.

The gesture will be much appreciated by salaried heads of families, like myself. I have three sons pursuing their higher education, which costs me something like $3,000 a year.

You can see what sacrifices we have to make. It is a case of social justice, because I know of heads of families in my constituency who had to take their sons away from their studies for that reason.

(Text):

I have another letter from Mitchell, Ontario, which reads as follows:

Dear Mr. Crestohl:

You have my sincere thanks for taking up the matter of tax exemption in connection with university education costs.

I can give you a lead to some excellent material on the subject, a source which you may not know about. Less than a year ago the president of the Canadian Manufacturers' Association in a T.V. address made the following statement. (My figures are approximately right) "In Britain the percentage of university students aided by bursaries is 70 per cent; in the United States the figure stands at 50 per cent; in Canada it stands at 14 per cent."

I am aware that you are not asking for more bursaries, but for some tax relief for people who are trying to finance students at university. May you keep up the fight. Thousands of parents will thank you or anybody who can achieve something. They will appreciate that your attitude is not the smug attitude of your opponent the finance minister.

He was not referring to the present Minister of Finance; he was referring to the minister of finance at the time, and I assume he could easily be referring to any finance minister who does not allow sufficient exemption from income tax. The next letter I have is from Lumsden, Saskatchewan, which reads as follows:

Dear Mr. Crestohl:

An item in the December 9th issue of the *Leader-Post* interested me. This item mentioned a resolution to be proposed by you calling for the exemption from income tax of tuition fees and expenses.

On behalf of my daughter and the many other young people, who first must earn the money to pay for further education of any kind, I hope this resolution will be favourably received and acted upon.

I have next a telegram from Toronto, which reads:

Strongly support your proposed motion to provide exemption from income taxes of university fees. Would be real help to many paying own way.

My next quotation is from Lestock, Saskatchewan. Although it is on a telegram form, I think it came through the mail. It reads:

Dear Mr. Crestohl:

Note by Canadian Press dispatch in the Winnipeg *Tribune* of the 9th December issue that you intend to bring into parliament resolution asking for exemption of certain higher education costs. I certainly hope that you are able to get this passed.

Certainly in Canada a higher education can be absolutely nothing but an asset to the country. I have a boy going through for a doctor, now in fourth year at university, and it is costing me roughly $1,600 a year to keep him there, which is a lot of money to take out of one's salary every year, plus income tax and 10 per cent pension fund for old age, which also helps keep one off the country's unemployment rolls. A child under the present system is unable to attend university or other school of higher learning and there must be a lot of children across Canada who are unable to go higher for financial reasons. I wish you every success,

And so on. These letters and telegrams are an indication that the people across the country are seeking this relief. Those of us who have had children or have children at universities know how difficult it is to keep them there, and this is especially true of a man on a yearly salary. The parents have to work hard and make sacrifices; they have to forgo a great many things themselves in the hope of being able to educate their children. I think this gesture by the House of Commons of exempting the tuition fees paid by fathers and mothers would be most welcome, and I also think it is one that we should not hesitate to make.

I am concerned with the fact that while I believe every member of the House of Commons would support the principle of a resolution of this kind, yet the Minister of Finance —who refers to it in his budget and says that in principle it is the type of tax exemption that should be given—does not go far enough.

I believe the members of this house, if they had their choice, would support this resolution, not only with their speeches but with their vote. However, I am a little concerned that hon. members might be so enthusiastic about this thing that they will, to use an expression, kill it with kindness. I am afraid members will get up one after the other and support the motion, saying what a good thing it is but they will kill it with kindness by talking it out.

In closing my remarks, Mr. Speaker, I should like to give a few very brief quotations from pedagogues. One says:

Education is a debt due from the present to future generations.

Let us as legislators, acknowledge that. The next one says:

Education is the cheapest defence of nations.

The third is:

Education is a better safeguard of liberty than a standing army. If we retrench the wages of the schoolmaster, we must raise those of the recruiting sergeant.

These are very forceful statements, and I commend their meaning to all the members of the house and ask that they be guided by them.

Mr. R. J. McCleave (Halifax): First of all, may I congratulate the hon. member upon his sincerity and determination over a long period of time in bringing this matter to the attention of the house. I am sure he will not mind if I poke a little fun at his theory, and the way in which it works. It seems to be that you do not get anywhere with the minister of finance in the House of Commons until you sit in opposition. If this theory were to be expanded to full flower it would mean there should be one minister of finance in the house and 264 people sitting in opposition giving him suggestions from one end of the day to the other about good measures for the well-being of the country. The fact is, as the hon. member has pointed out, he brought this matter before the house in 1954, perhaps in the same form, but the idea fell upon deaf ears.

Subsequently, as the result of the benevolent changes that were wrought in 1957, at least a part of his objective is being met. I think myself some of the credit for this should go to the people who came here in 1957 and 1958 with fresh ideas, some of which undoubtedly happened to coincide with those of the hon. member who has just taken his seat. There are good parts to this resolution, and also some poor parts, parts which contain dangers. I should like to mention those without, however, attempting to throw cold water on the idea the hon. member has put forward but rather with a view to pointing out the things which would have to be considered if the second part of his resolution were to be implemented.

First, I should like to say a word about the good things in the resolution. I think the idea of extending income tax exemptions to those who are not students, as we accept that term, is a good one. I presume the hon. member has in mind covering students who go to summer schools or night schools. I certainly commend this idea and I would wholeheartedly endorse it.

Then he put forward the idea that this type of income tax relief would provide an incentive to the people to sponsor students. This, again, is a good idea. This would expand our present notion of the parent being responsible for the education of his child and would include the family circle or even, as I understood the hon. member's remarks, people outside the family. I know there are many people who do make a point of assisting worthy young students at universities. This would be some recognition of what has been, up to now, a rather selfless attitude on their part.

No one would quarrel with that idea that we must get along with education as quickly as possible. The dramatic events over the

week end have shown the great lag in scientific achievement in our country as compared with another unfriendly economy. This would make anyone seize upon any possible alternative to meet such a challenge. These are the good points that I would wholeheartedly support.

It is the second half of the hon. member's resolution which gives the difficulty. Perhaps I could read it this way:

> That, in the opinion of this house, the government should consider the advisability of amending the Income Tax Act so as to provide for the exemption from income taxes... of the costs of all text books and scientific equipment necessary to the courses followed in these institutions of learning.

This is the part that causes me to pause and consider. I believe this would give a wide open field for abuse unless the regulations were carefully drafted. In the first place, institutions of higher learning would be difficult to define. Then, too, the phrase "costs of all textbooks and scientific equipment necessary to the courses followed" is used. I do not know the hon. member's alma mater in law, although I realize he is one of the distinguished members of the Montreal bar. I pose this problem to the hon. member. As he knows, there are two main theories for the teaching of law. One is what we at Dalhousie University law school, the best one in Canada, call the case method. This method is used also by Harvard University. There is another approach to legal training which is known as the textbook method, which is more in line with the tradition of a liberal arts education.

I think that one could argue, under this resolution, that a law student who followed the case method would be entitled to deduct the expenses of buying the books in which these cases are to be found. As the hon. member realizes, there are thousands of such books, the Canadian reports, the British reports and the reports of the Canadian provinces. These are all the sources of material for the study of law by the case method. I use this merely as an illustration, Mr. Speaker, and I do not want to pursue it ad nauseam. It would appear to me that one could use the spirit of this resolution, if one were a gifted law student with a rather sharp eye for a technicality, to march forth from law school with one's law library completely assembled.

An engineering student, with a legal bent, could go forth from the engineering school with the equipment he needs for a professional practice already purchased, using the plea that this was scientific equipment necessary to his course. One could even go a step farther and imagine some graduate of the Ontario agricultural college marching forth from that institution with harrows, plowshares, and harvesting machinery, again using the excuse that this was a part of the equipment necessary to study his course.

I realize that is stretching the point too far and that one could fairly well draw a line perhaps with regard to the agriculture graduate. But how do you draw the line in the first case I mentioned, namely that of the lawyer? After all, he is expected to read through thousands of cases in the three years of study and these thousands of cases are contained in thousands of law books. Or again, students of the liberal arts at the undergraduate level in the university may wish to buy one thousand great books or one hundred great books or ten thousand great books, to all of which he may refer during his education, on the plea that these books are necessary.

Admittedly the argument is disproportionate and one realizes that there is an absurdity somewhere. The difficulty is in ascertaining where common sense stops and absurdity begins. I say that in no niggling spirit against the resolution introduced by the hon. member for Cartier (Mr. Crestohl). I think this particular point I have raised could be cured by some rather careful draftsmanship of the regulations involved. At least I have pointed out that there are problems in the carrying out of such a resolution. I think the Minister of Finance is to be commended for his budget approach and for solving the problem in a fairly workable manner. I hope the hon. member for Cartier will present his resolution again and again until most, if not all, of its spirit is met. I thoroughly enjoyed listening to his contribution to the debate as I am sure I shall enjoy the ones that will follow.

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I am happy to take part for a few minutes in this debate on this resolution this afternoon. I am particularly interested in the field of education as it affects those people who can least afford an education for their families. For this reason I should like to make one or two points this afternoon. First of all, I want to commend the Minister of Finance (Mr. Fleming) for the steps he has taken with respect to the income tax laws as they affected university students prior to this year. I am sure the people of Canada generally have accepted the principle introduced in the budget for the solution of some of these problems.

I want to bring before the house a few specific cases I have in mind. One is that of an older couple who may have three or four growing children. There comes a time when these children have finished their public

schooling and have reached the age in life when they wish to attend university. Not too many years ago I was one of those who, after serving some time in the armed forces, was able to come out and take advantage of the veterans legislation with regard to education. This advantage, of course, is not available to our younger people. I am just wondering whether we could not have gone a little further with regard to the amount deductible from a student's earnings.

I have a letter from a young married man in the city of Edmonton. He tells me that while he was working at what he referred to as an ordinary job, although he was not able to get along too well on this basis, he decided that he would like to make an attempt at some other field of endeavour. He chose the field of accountancy. The necessity of his going back to school made it obligatory for his wife to go to work. She now has a job by means of which she is able to supplement the earnings sufficiently so that they are able to get along. Their baby sitter fees are something in the neighbourhood of $60 a month. I am wondering whether we could not have gone a little further and have included provision for deduction of these fees in our amendments to the Income Tax Act.

I am not too sure whether this resolution, as it reads, would be of a great deal of benefit, particularly to the students in the province of Alberta. I am aware of the fact that in some provinces a great deal of the cost of text books must be looked after by the students. In Alberta this is not entirely the situation. A great number of books are provided by the school boards. The important thing, therefore, is the amount of the tuition fees, a matter which is at present looked after in the amendments to the Income Tax Act.

In his remarks the minister stated that some students, in pursuing their university courses, earned sufficient money to incur income tax liability. He is proposing that a student in full-time attendance at a university, if he is proceeding toward a degree, be allowed to deduct the tuition fees he pays to the university when computing his taxable income. I am wondering whether we could not be a little more kind and make the total amount of the tuition fees and the total cost of the books involved in sending a student to school deductible in gross from the earnings of the married man in question. I only pass this thought on as a suggestion. This matter has been brought to my attention and I thought this was a good time to raise it.

I hope that the hon. member for Cartier will bring this bill before the house at another time so as to afford us the opportunity to refer it to a committee for further study. As I say, I am greatly interested in this problem. I wonder whether this bill is sufficiently clear to look after the problem in its entirety. I am not too sure about that matter but I should like to have the opportunity to look into it in a committee where we could study it further to the end that we might find a proper solution to the question of assistance to higher education.

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I too would like to make a few comments on this resolution put forward by the hon. member for Cartier (Mr. Crestohl). In these days of keen competition in trade, in armaments and in ideologies we must not lose sight of the advantages of higher education extended to every individual in this country of ours.

This is a very interesting resolution. It proposes to encourage education by increasing the exemptions from income tax. I notice a tendency on the part of many people—not only the hon. member for Cartier—and many organizations to suggest adjustments in income tax every time they wish to encourage some socially desirable objective.

I would submit that a graduated income tax is the fairest of all methods of financing our government and furthermore of sharing some portion of our national income with those people who receive the least benefit from our national income. That being the case, I would suggest that all alternatives to reductions in income tax should be thoroughly scrutinized, examined and considered with a view to determining whether or not income tax should be reduced.

The present government have indicated great sympathy with the furtherance of higher learning in Canada. Since this government came into power in 1957 and accepted the responsibility of government they have encouraged higher learning in several important ways. First, may I say that they have increased the grants to universities from a basis of $1 per capita in the provinces to a basis of $1.50. That is an increase of 50 per cent and a very substantial increase in federal assistance to higher learning.

By legislation this year, through the Technical and Vocational Training Assistance Act, very substantial grants are being made to the provinces to assist higher education of all kinds. Also corporations have been encouraged to increase their contributions to universities through actions by this government.

In his budget speech the Minister of Finance (Mr. Fleming) indicated his support of federal assistance to higher learning with these words which are to be found at page

1012 of *Hansard* for December 20, 1960. The Minister of Finance used these words when introducing the last budget:

> Many deserving students require financial aid in order to attend university. Some provinces have inaugurated systems of loans to worthy students in need of direct financial assistance. These commendable plans are producing very beneficial results. The government is giving continuing study to this important aspect of the problem.
>
> The other aspect concerns the income tax position of students and those on whom they are dependent. I propose a measure of tax relief for university students and their parents.
>
> Some students, while pursuing their university courses, earn sufficient money to incur an income tax liability. I am proposing that a student in full time attendance at a university, if he is proceeding toward a degree, be allowed to deduct the tuition fees he pays to the university when computing his taxable income.
>
> The income tax law already provides special assistance to parents who are supporting children at university by allowing them to claim a deduction in respect of such children even after they have attained the age of twenty one years. However, if the student of any age has income in excess of $950 he ceases to qualify as a dependent, and his parent then forfeits the $500 exemption otherwise accorded to him by the law, even though he may be giving financial support to the student. I propose that the student's tuition fees be allowed as a deduction from his earnings in determining whether he qualifies as a dependent. If his income after deduction of his fees falls below $950 the parent will recover the $500 exemption.
>
> These changes will become effective on January 1, 1961.

I have indicated that all alternatives should be examined before deciding to reduce income tax. I would like to refer to a suggestion brought forward by the hon. member for Grenville-Dundas (Mrs. Casselman) who in her very fine speech in connection with the last budget debate made this suggestion, as reported at page 1355 of *Hansard* of January 24, 1961:

> I should like to see federal loan banks for education available to all, young and old Canadians, not particularly based on need or the highest excellence in scholastic achievement, but on the prime requirement of a desire to learn. A revolving fund should be kept replenished by those who benefit most in this generation for those of the next generation, and we should be the first to recognize the enormous cost of university buildings, laboratories and libraries, and the competition for the best brains in the world, teachers and professors. It seems to me that if we have industrial loans, farm loans and loans for small business we should certainly have loans for the development of the brains—

Mr. Deputy Speaker: I am sure the house is very much interested by the quotation the hon. member is giving, but I draw to his attention the fact that the motion before us speaks only of an amendment to the Income Tax Act to provide for the exemption from income tax of tuition fees, and so on. No alternative method is mentioned. Therefore, although I think references can be made to other methods of helping students, it would be irrelevant in my opinion to discuss any such methods in detail.

Mr. Benidickson: I did not particularly want to raise a point of order, because the subject we are discussing has general acceptance, I think, in all sections of the house, but it did occur to me that in addition to the point Your Honour raised the hon. member was referring to a previous debate in the current session.

Mr. Thomas: Mr. Speaker, I shall observe your ruling, but I was trying to make the point that before deciding on such a method of assisting students as a reduction of income tax other alternatives should be reviewed. If that is out of order, I shall go on with one or two other observations.

The cost of education is ever on the increase. With our accumulation of knowledge increasing from generation to generation it becomes more difficult for each succeeding generation to master it, or at least it requires more time to impart that knowledge. Not only does it require more time on the part of the teachers, but it requires more time on the part of the students who are the recipients of that knowledge. Because more time is required the whole process of handing on this accumulated knowledge of the ages becomes more expensive. In making our national financial plan we should keep this fact in mind, and no doubt the hon. member for Cartier had that in mind when he made this proposal to encourage higher education by making certain reductions in income tax. However, since we cannot pursue the question of alternatives, I will close with just the statement that reduction in income tax is not the only way of achieving the objectives which the hon. member has in mind. Because we must have revenue in order to operate our system of government and carry on the services of the country I would suggest that alternatives be explored including the suggestion of loans to university students.

Mr. J. C. MacRae (York-Sunbury): I should like to speak briefly on this resolution this afternoon. First, I should like to compliment the hon. member for Cartier (Mr. Crestohl) on having brought this resolution forward. I believe he is very sincere in what he is proposing. I believe it is not being done for publicity, but that the hon. member is sincere in his intentions with respect to the proposal before us.

I am deeply interested in this question, because I believe that all Canadians in this day and age should be interested in education. The education of our young men and women

today presents a special problem. I am interested because I am a member of the teaching profession—I have been all my life—and because I have seen a great deal of some of the things the hon. member is advocating.

Third, I am interested because in the constituency which I represent is one of Canada's finest universities—a university which is rapidly expanding. I should like to speak briefly about the growth of our university. I can remember 25 years ago attending school at Fredericton at a time when the University of New Brunswick had only 400 students or less. Today that university is filled beyond capacity with over 1,800. That is a situation which exists in practically every school and university across this country.

Even so there are many hundreds and perhaps many thousands of young people who cannot get a university education such as they and this country so vitally need, because of financial circumstances. Every one of us could give from personal experience examples of students who were able to obtain an education because they received just that little bit of extra help. I can well remember a young lad who was in my class at school, a boy who was orphaned at 12. His father was killed in a tragic accident. He was the only boy in the family and when he graduated from high school, having matriculated with high marks, he was able to obtain a Beaverbrook scholarship. At that time the sum of money which this scholarship represented was not very great, but the boy was nevertheless able to go to university and get a degree in electrical engineering. Today he is one of eastern Canada's ablest engineers. It would have been impossible for this boy to have gone on to a university if he had not received this little bit of extra help.

At the present time there is a most important committee sitting in the other place, and the activities of this committee are perhaps the most important of those going on in this parliament at the present time. I refer to the committee on manpower and employment. A short time ago a report was made before that committee by Dr. James, discussing the question of education today. He pointed out plainly that the great bulk of those people who have an employment problem today are those who have received little or no education. The figures put forward are probably accurate,—Dr. James said about 2 per cent of those seeking employment had received university educations. I think perhaps that figure of 2 per cent is a bit high.

The measures brought down by this government to date in the field of education, including assistance to the technical schools and in the building of technical schools will, I am sure, have a most beneficial effect. Indeed, that effect is being felt already in this country.

I am sorry the hon. member for Middlesex West (Mr. Thomas) was not able to pursue his discussion of alternatives to the suggestions made in this particular resolution. I had wished to discuss very fully the question of loans to students, a subject which was covered in an exceptionally fine speech by the hon. lady for Grenville-Dundas (Mrs. Casselman). Possibly we shall have some other opportunity in the future to deal with this particular point and put forward the view that the making of loans to students would be an effective way of helping young men and women through university and, of course, other schools.

This government—as I am sure all governments have been in past years—is always under pressure for exemptions under the Income Tax Act, many of which are undoubtedly worthwhile. I am sure the government will give the import of this resolution every consideration. It seems to me the important thing about the discussion of this resolution is that it draws out the views of the representatives of the people of this country and for this reason there is a great value in having such resolutions debated.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I am very happy to rise at this time to say a few words with respect to the resolution now before the house. As I listened to the introductory remarks of the hon. member for Cartier (Mr. Crestohl) I could not help but feel that the legislation already in existence meets the objectives he advances in this resolution. As the hon. member read letters and telegrams, most of which I believe were dated back in 1954, it occurred to me that the hon. gentleman should have taken them to the then minister of finance of the Liberal government and read them to him. If that course was followed then the hon. member's representations must have fallen on deaf ears because very little was done by the former administration in this field compared with the record of this Conservative government since it came into power in 1957.

To appreciate the record of achievement of the present government one has only to briefly review some of the measures it has introduced. The hon. member for Middlesex West (Mr. Thomas) made mention of the increase in per capita grants for universities from $1 to $1.50. Another significant step taken by the present government is represented by the recent legislation providing for grants to universities for the construction of student residences. The government has now come along with legislation to exempt

tuition fees for income tax purposes. One also recalls the grants that have been given by this government in the training and vocational field. One also thinks of the assistance that has been given for the provision of vocational training for the unemployed in conjunction with the provinces. In the light of this brief review I am very happy to be a member of a government that has seen fit to make such significant contributions to the furtherance of education.

I am pleased to speak in support of the legislation already passed in this field. In my riding we have two important colleges, the only two of their kind in the British commonwealth and second to none in the world, the Ontario agricultural college and the Ontario veterinary college. In my riding we also have MacDonald institute where we train some of the finest wives to be found any place in Canada. The exemption from income tax of tuition fees will be of great assistance to students attending these universities. In brief, I think the aims of the hon. member's resolution have already been met by legislation introduced by this government.

The hon. member's resolution also calls for the exemption from income tax of the cost of textbooks and scientific equipment. I should be happy to see these items included as I am sure the students would who are attending the colleges I have mentioned, but I am afraid a great administrative problem would arise from the implementation of such a provision. The following questions immediately come to my mind. How would you arrive at a means of establishing the deductions? Many textbooks are used over and over again and students often purchase secondhand books. How would you designate what was necessary equipment and what was unnecessary? The equipment used by a student engineer is very different from that used by a medical student. The implementation of such a provision would mean that the department would be confronted with a complex administrative problem.

In conclusion let me say that I am proud of the legislation in this field introduced by this government and I am happy to take this opportunity of congratulating the Minister of Finance (Mr. Fleming) on doing what has been done thus far.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, I rise to support the resolution supported by the hon. member for Cartier (Mr. Crestohl). I believe that all people in this country today recognize not only the advantage to the individual of higher education but also this country's great need for it.

[Mr. Hales.]

Not long ago in reading a report from the Canadian medical association I noticed that there was a great need for doctors all across this country. For the last four or five years we have heard much about the great need for engineers. Some of the reports we have read have imbued us with the fear that other countries are exceeding us in the training of technical and professional men.

The hon. member who has just taken his seat praised the work done by his government in increasing university grants. I agree with him in part but in doing so I must also remind the hon. gentleman that it was in 1955 under the former administration that these grants to universities were initiated, then at the rate of 50 cents per capita. A year or two later they were increased to $1 per capita. While the present administration has done a good deal for higher education I think hon. members opposite must not lay claim to the credit for all the interest that has been shown in higher education in Canada over the last few years.

I am interested in the number of times the hon. member for Cartier has placed this resolution on the order paper and in the number of times he has mentioned this subject in the house. Last year in the budget debate he made reference to his contention that there should be some income tax deduction for the expenses of a higher education. After concluding a speech similar to the one the hon. member made today, the Minister of Finance (Mr. Fleming), as reported at page 5169 of *Hansard* of June 20, 1960, said:

> As to the matter raised by the hon. member for Cartier (Mr. Crestohl), may I say that this matter was discussed fully last year. He is aware of the additional burden we are carrying in the federal treasury now by reason of our increase from $1 to $1.50 in the per capita federal grants to the universities; that is per capita of population in each province. These are substantial additions that we have undertaken. I think there is little to be gained now in reviewing this question again. It could have been raised in the budget discussion but I do not believe it was raised there. It was discussed fully a year ago and I think the situation has not changed since that time.

That was only approximately a year ago. We now have amendments to the Income Tax Act which I am sure every hon. member will welcome and recognize as desirable.

I do not wish to labour the point but there is one thought I should like to leave with hon. members. I have had some experience in the field of education. It has always been and still is my opinion that in any country that pays attention to its educational system there will always be sufficient care given to the average student.

There are two types of students for whom special care should be undertaken. First, there are those who have the ability to attend

university, and then there are those who have ability far below the average. With respect to those who have ability far below the average the state might just as well train them to do some job because it is going to have to look after them anyway, whether they are children or adults. With respect to those who are above the average in ability, the state should look after them, particularly a democracy which needs that type of leadership in the different professions that these young men are able to fill.

Let us suppose, for example, that a father sends his son to university. Unless he is a very wealthy man he will have to make some sacrifice in order to do that. When the young lad is through university and he goes out to take up a job in whatever field of training he happens to choose he may be a source of great pride to his father, he may be a source of great pride to his own home town; he may have equipped himself to make a good living, but there is one fact that remains. The people who get the greatest advantage out of the training that that young man has acquired is the state itself. If the state is going to get the advantage of that young man's training, then it should be responsible for paying a part of the cost. Whether the method suggested by the hon. member for Cartier is the best method for assisting university students is another matter. It is certainly one way. I myself have some leaning toward a student loan plan, and I believe that a student loan plan would be welcomed in this country provided, of course, that there were no strings attached and those who are actually in need of loans to get themselves through university are able to get them.

In any event, Mr. Speaker, I do recognize the worth of the resolution which we now have before us. I support the hon. member for Cartier in his bringing it forth and I commend him for being so persistent in his idea of trying to provide help for university students in this country.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, the announcement made by the Minister of Finance (Mr. Fleming) that the Income Tax Act would be amended with a view to assisting university students was received with applause. Besides, authorities of our Canadian universities have commended the minister for such a decision.

Nevertheless, the resolution of the hon. member for Cartier (Mr. Crestohl) is a worthy one and goes to prove, I believe, that it is possible to provide assistance to education without infringing upon provincial rights in the field of education.

I was very much surprised during the recent Liberal rally at the stand taken by the opposition which tends increasingly to infringe upon the rights of the provinces in the matter of education.

This resolution introduced by the hon. member for Cartier provides a means of assisting universities, of assisting education in general, without violating the legitimate rights of the provinces in the field of education.

(Text):

Mr. Richard A. Bell (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, the house has had the opportunity for a good general discussion of this resolution. A number of hon. members have made thoughtful and useful contributions. As the house knows, the budget resolutions will be called for discussion on Wednesday. Included among them is a proposal in resolution No. 12 which will enact a substantial part of this resolution. Recognizing the general undesirability of duplicating debates, particularly in the same week, and since there are many other resolutions on the order paper which merit discussion, and for which no other opportunity will be provided for, as in this resolution, I am proposing to move the adjournment of the debate. I move, seconded by the hon. member for Vancouver-Kingsway (Mr. Browne):

That this debate be now adjourned.

Motion agreed to.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

ST. LAWRENCE SEAWAY

PROPOSED EXTENSION TO NEW YORK VIA RICHELIEU RIVER

Mr. Lucien Cardin (Richelieu-Vercheres) moved:

That, in the opinion of this house, the government should give early consideration to the advisability of the appointment of a board of engineers for the purpose of studying and reporting upon the linking of the St. Lawrence seaway (river) with the port of New York via the Richelieu river, lake Champlain and the Hudson river.

(Text):

He said: Mr. Speaker, the resolution that is now before the house is not a new one. It has been on the order paper now for three sessions and it has been in the minds of many Canadians as well as many people of the United States for a considerably longer period. However, I am happy to be able to move this resolution this evening in order, not only to be able to describe more fully than I have been able to do up until now

the Richelieu-Champlain waterway but also to give the house reasons that I feel make the Champlain waterway economically advantageous to Canada.

The Richelieu-Champlain waterway would provide a practicable water route some 400 miles long from the St. Lawrence river in Quebec up the Richelieu river to the international boundary, then across lake Champlain and down the Hudson river to Albany and New York. Hon. members may be interested to know that the Richelieu river, in spite of the many natural obstacles to be found in it, has served Canadians and Canadian-United States commercial traffic ever since 1609. It was only in 1843 that the locks, situated now at St. Ours and the locks in the Chambly canal, were first built. At that time a six-foot barge canal was built and played an important part in the economic development of that area.

The Chambly canal, which marks the southern end of the Canadian section of the waterway, is 11.8 miles long and it has nine consecutive and very antiquated locks with a controlling length of 118 feet and a controlling depth over the sills of 6.5 feet. No major changes have been made to the canal since it was first built, and I think the canal is understandably outmoded and although completely inadequate for modern transportation it is still being used.

One of the pioneers, whom I should like to mention tonight, is Guy Tombs Limited. They have been using this waterway, in spite of the difficulties, for many years and, in order to use it, have had to build special barges. In 1937 the first step toward construction of a practicable water route from the St. Lawrence to New York was the construction of a lock at St. Ours at the northern end of the waterway. It is some 339 feet long, 45 feet wide, with a depth of 12.5 feet over the sills.

At the same time a dam across the Richelieu river at Fryers island was built in order to control the flow of the river and to maintain the level of the waterway in lake Champlain. This dam has not been utilized because the project did not go ahead, but it is a necessary step that has already been taken in order to achieve a practicable water route through the Richelieu river. Except for the dredging of the Richelieu river from six feet to 12 feet which was done in 1946 from Sorel to St. Ours, no major changes were made in the Canadian section of the waterway.

The United States section of this route starts, of course, at the international boundary and goes through lake Champlain to Whitehall, a distance of 112 miles with a controlling depth of 12 feet. From Whitehall to Troy, a distance of some 63 miles, the depth is 12 feet and from Troy to Albany, a distance of 8.5 miles, the depth is 13¼ feet. From Albany to New York, a distance of 143.5 miles, it has a depth of 27 feet. Over the years prior to 1937 a considerable amount of interest had been shown in the Richelieu-Champlain waterway. In 1936 the government of Canada and the government of the United States concurred in referring the project to the international joint commission for study. The commission made its report in 1938, and I should like to place on *Hansard* the recommendations of the international joint commission, found in the report of that commission on the Champlain waterway, page 17. The recommendations are, and I quote:

> —the commission recommends that the present report be considered an interim report, and that it be authorized to retain jurisdiction over the matter until the St. Lawrence waterway has become an accomplished fact and the commission has had an opportunity of studying the effect of its operation upon the proposed Champlain waterway.

There are, of course, two points that must be noted in this recommendation. First of all, it is an interim report of the international joint commission, and not a final report.

Second, the commission recommend that it be authorized to retain jurisdiction over the matter until the St. Lawrence seaway had been completed. Hon. members will agree that in 1938 the St. Lawrence seaway was far from being an accomplished fact. The economic picture of the area involved in the project was very far from being what it is today. For the past 25 years, in spite of the difficulties caused by nine antiquated locks, a canal with a controlling depth of only six feet in the Canadian section and the necessity of specially built barges, an average of 50,000 tons of freight per year has been carried over this route. Over half of that tonnage was newsprint going to New York. The total Richelieu river tonnage including bulk shipments to points in the Richelieu valley delivered by local barges has been as high as 135,000 tons under conditions which can only be described as terrible.

There is no limit to the southbound Quebec newsprint tonnage available. Competent engineers and economists have estimated that there would be 10 to 20 times the present through tonnage to New York if the waterway were enlarged and modernized to permit the passage of modern and practicable canallers. Moreover, with improved transportation facilities, a very considerable amount of ore from the lower St. Lawrence in Quebec and in Labrador would also move along the Richelieu-Champlain waterway to its destination in the United States.

The undertaking and the eventual completion of the St. Lawrence seaway accompanied

by a rapid industrial development on the south shore of the St. Lawrence between Montreal and Sorel accentuated the economic potential of the Richelieu project. It is because of the economic potential and the necessity for Canada to maintain an ever-expanding economy that Canadians, whether as individuals or whether organized in groups such as municipalities, chambers of commerce, boards of trade in Canada or the New York-Vermont interstate commission, have taken an extremely active part in preparing and sending to the government well documented briefs on the economic justifiability of the Richelieu-Champlain waterway. These briefs were the result of studies made first of all of the interim report of the international joint commission of 1937 and subsequent studies made by engineers and economists both in this country and in the United States.

Organizations such as those I mentioned a moment ago have spent considerable time and money from their own resources in a most commendable effort to obtain the economic and technical information necessary with regard to the Canadian as well as the United States section of this waterway. Many of the international meetings were held both in Canada and in the United States on an unofficial but extremely useful basis so as to coordinate the studies of both countries toward this project which can only be realized on an international basis. All of the studies that have been made pointed distinctly and emphatically, if not to an immediate start on the project for which there is as yet no definite plans at least to the advisability of both Canada and the United States undertaking a joint study of the project on a governmental level as they did in 1937 through the international joint commission.

In April of 1957, the United States congress voted an amount of money to begin a study of the project and Canada was invited to take part in that joint study. As a result of a motion I had placed on the order paper, I asked the government to table all the correspondence exchanged between the federal government and the authorities of the state of New York and Washington concerning the Richelieu river waterway which would link the St. Lawrence with the Hudson river. As a result, I was handed sessional paper No. 250, dated Tuesday, April 26, 1960, and I should like to place this on *Hansard*. On April 30, 1957, the United States embassy in Ottawa sent a letter to the Department of External Affairs which reads as follows:

Dear Mr. Cleveland:

Reference is made to the Department of External Affairs' note No. X-215 of August 15, 1952 and the embassy's note No. 297 of June 3, 1952, concerning the Richelieu river-lake Champlain waterway.

It will be recalled that in this exchange of notes the Canadian government was asked whether it would join the United States in a request to the international joint commission to re-study this subject with a view to determining the possibilities of deepening the waterway to accommodate 12-foot navigation. In its response, the Department of External Affairs took note of a comment made in a January 4, 1938 report of the international joint commission to the effect that a recommendation concerning the development of the proposed waterway could only be determined after the St. Lawrence waterway had been constructed and put into operation. The Department of External Affairs' note concluded that it would not be appropriate to refer this matter to the international joint commission for further study.

In this connection, the attention of the United States government has recently been invited to resolutions adopted by the general assembly of Vermont and by the city council of Burlington expressing the view that, as a result of the progress that has been made in the construction of the St. Lawrence seaway, it is desirable to have both the United States and Canadian governments ask the international joint commission to renew its investigation and study of the construction of the Richelieu river-lake Champlain waterway.

While the United States government does not wish at this time to propose to the Canadian government that it join with the United States in a renewed reference to the international joint commission, the United States would appreciate ascertaining whether or not the Canadian government's views on this question have changed in any respect since they were last made known in the Department of External Affairs' note No. X-215 of August 15, 1952.

Sincerely yours,

Milton C. Rewinkel,
Counselor of Embassy.

There was no answer to this letter that was tabled but on October 30, 1958 the governor of New York namely Averill Harriman sent a letter to the Prime Minister (Mr. Diefenbaker) which reads as follows:

Dear Mr. Prime Minister:

The congress of the United States has allocated $15,000 to the United States army corps of engineers for the current fiscal year to begin a study of a possible Richelieu-Champlain waterway. As you know, the 1937 study of the international joint commission determined that such a waterway was engineeringly feasible. The questions of depth (12'-14'-27') and economic benefits now need re-examination.

Because of the recent economic changes in Canada, it is my feeling that a similar study should be made on the Canadian side. If your engineers could initiate a similar undertaking, the two studies could be consolidated into a single substantial report which would certainly point the way for an inland waterway of great economic benefit to both the Dominion of Canada and the state of New York.

Sincerely,

Averill Harriman.

To this letter the Canadian government replied on November 13, 1958, as follows:

My dear Governor:

In the absence of the Prime Minister, I wish to thank you cordially for your letter of October 30, in which you inform the Prime Minister of the action which the U.S. congress has taken

recently in allocating monies to the U.S. army corps of engineers for the current fiscal year to begin a study of a possible Richelieu-Champlain waterway. May I say that this matter has already been informally drawn to the attention of our department by the department of state.

Yours sincerely,
N. A. Robertson.

On December 22, 1958 the foreign service of the United States sent a letter to the Department of External Affairs of Canada. It is addressed to Mr. Cleveland and it reads as follows:

Dear Mr. Cleveland:

The department of state has requested the embassy to ascertain the present views of the Canadian government concerning possible joint studies of the Richelieu canal-lake Champlain waterway.

In this connection it may be of interest to Canadian authorities that under section 112 of the United States public law 85-500, the secretary of the army was authorized and directed to study a "water route from Albany, New York, into lake Champlain, New York and Vermont, including the advisability of modifying existing federal and state improvements, with due consideration of ultimate connection with the Saint Lawrence River in Canada". The chief of the United States army corps of engineers has initiated the activities in the United States necessary for submission of a report to congress as directed. Consideration of an ultimate connection with the St. Lawrence river would require, of course, the co-operation of appropriate agencies of the Canadian government.

If the Canadian government should find it agreeable to engage in a co-operative or joint study, an established procedure for arrangements, as you know, is available under article IX of the boundary waters treaty of 1909. In such an event the international joint commission could be requested to resume consideration of the reference of January 2, 1936, in which the two governments asked the commission to investigate the advisability of the improvement of a waterway from Montreal through lake Champlain to connect with the Hudson river. Under the reference the commission submitted an interim report to the two governments in 1937. As you will recall, that report recommended, in effect, that no further consideration be given to development of such a waterway until the possibilities could be analysed in relation to an improved channel in the St. Lawrence river.

Alternately, of course, a new reference to the international joint commission could be formulated defining the nature and scope of any study desired at this time. The department of state understands that the department of the army is prepared to move forward with studies of the Champlain waterway in the United States, as well as with joint studies of a possible connection with the St. Lawrence if the Canadian government should deem joint studies desirable. The department of state further understands that the department of the army can adjust within reasonable limits the time and rate of studies in the United States to conform with reviews of the Canadian government regarding any joint studies. It is for this reason, as well as the other considerations cited above, that the embassy would be most appreciative of the general views of the Canadian government.

Sincerely, yours,
Milton C. Rewinkel,
Counselor of Embassy.

[Mr. Cardin.]

Almost one year later the Department of External Affairs answered the letter on November 17, 1959:

Dear Mr. Smith:

Since receipt of Mr. Rewinkel's letter of December 22, 1958, concerning studies of the Champlain-Richelieu waterway, this matter has been under further examination.

As you will recall, the Minister of Transport on June 11, 1959, read in the House of Commons an extract from an interim report which had been made to him on this subject. This extract read as follows:

"The previous cost estimates are now being revised in the light of recent alternative plans and present day costs by the Department of Public Works, and when these are completed, some estimate can be made of the volume of traffic required to justify improvements to the present canals and studies will be made to determine probable traffic available".

The cost revisions are proceeding but it is not possible to say, at this moment, when the results will be ready.

Yours sincerely,
J. H. Cleveland,
American Division.

Several things become clear as a result of the correspondence I have just read. First of all, that very little interest has been shown by the government in the project. Second, the government had no intention of undertaking a joint study with the United States of the project which could have meant a possible government expenditure for Canada of some $15,000. I strongly suspect that the private organizations in Canada to which I referred a while ago have spent two or three times that amount in the preparation of the economic and engineering studies that they had made at their own expense.

But the government did not even include one cent in the estimates for the study of the project over the past three years, as is evidenced by the remarks by the then minister of transport which are to be found in *Hansard* of June 11, 1959, on page 4565. In speaking to the hon. member for Laurier the then minister of transport had this to say:

The hon. member spoke about the Richelieu canal, and I should like to read him a short report made to me by the members of our economics division and the public works engineers who are working on this project at the present time. It reads as follows:

From there it goes on to the part that was included in the correspondence I have just read. Then the hon. member for Laurier said:

May I ask who are the members of the committee dealing with this matter?

Mr. Hees: There are no specific members. It is our regular economics staff and the engineering staff of the Department of Public Works. Between the two of them they are handling it. If the hon. member wishes I can find out later who they are.

Mr. Chevrier: I do not want to insist, but were they given terms of reference to deal with the report of the board of engineers of 1937?

Mr. Hees: These are the terms of reference under which they are working. First of all, we are trying to find out what the economic justification might be for proceeding with work of this kind, and the probable engineering costs.

From all appearances the government has chosen to utilize the engineers and the economists that are already in the departments, without having a special study made of this project. I have certainly the greatest respect for the engineers and economists in the departments, but I respectfully submit that with the amount of work that they have in the Department of Transport and in the Department of Public Works it would be almost impossible for them to make the thorough study that such a huge project would require.

All through the discussion of the Champlain waterway in the reports and studies a most confusing and exasperating veil of secrecy was drawn over the whole subject and it became absolutely impossible for members of the opposition to obtain any information as to what type of study was being carried out and who had the responsibility of carrying out these particular studies.

If you refer to *Hansard* of February 4, 1960, you will have an idea of what I mean when I say it was impossible to obtain any information as to the work or study that was being carried out. At page 717 of *Hansard* I am reported as having asked the Prime Minister (Mr. Diefenbaker) this question:

Now that the Prime Minister has had an opportunity of travelling along, if not on, the Richelieu river from Sorel to the United States border, can he say whether a study of the economic and technical feasibility of the Richelieu waterway is under way or is being contemplated by the government?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there has been a continuing study, apparently for quite a number of years, of this question. Indeed, an examination of the records would indicate that when the last government was in power there was an investigation, and that is still continuing.

Mr. Cardin: Can the Prime Minister say whether or not he has received any invitation or representation from the state of New York or from Washington concerning a combined study of this project?

Mr. Diefenbaker: Mr. Speaker, I would not want to answer that question with complete certainty. However, speaking subject to the usual uncertainties of memory, I may say I have no recollection of such a representation from the state of New York.

Then at page 866 of *Hansard* for February 9, 1960 I am reported as having asked this question:

Mr. Speaker, I should like to direct a question to the Prime Minister. On Thursday last I asked him whether the government was making a study of the economic and technical feasibility of the Richelieu waterway, and the Prime Minister answered that when the last government was in power there was an investigation which was still under way. Did the Prime Minister mean that the government has asked the international joint commission to resume the investigation the commission was carrying out and which was interrupted until the St. Lawrence seaway had been completely finished?

Right Hon. J. G. Diefenbaker (Prime Minister): The answer is no.

Mr. Cardin: Can the Prime Minister tell the house what department of government is making such a study of the Richelieu waterway?

Mr. Diefenbaker: Mr. Speaker, as in the past, several departments are engaged in this work.

Mr. Cardin: May I direct another question to the Prime Minister. I did not get the chance to put this as a supplementary to the questions asked a while ago. Would the Prime Minister inform the house to what department questions on the Richelieu waterway could be addressed, and which department has responsibility for the study mentioned in the Prime Minister's statement?

Mr. Diefenbaker: Mr. Speaker, if questions are directed to me I will see that they are redirected to the proper department.

In the light of this exchange I think the Prime Minister will forgive me if I entertain certain suspicions that no serious consideration has been given to the project of the Richelieu waterway.

Yet on December 7 the present Minister of Transport (Mr. Balcer) announced the results of the studies the government claims had been continuing in several departments. The minister did not of course make the announcement in the House of Commons, where the subject had been brought up on innumerable occasions. The minister chose to make the announcement at a banquet given by the Montreal board of trade and la chambre de commerce at the close of a day's conference on the Richelieu-Champlain waterway. By an extraordinary coincidence the study of the project, which according to the Prime Minister had been going on for some years, just happened to finish in time for the banquet, because otherwise the Prime Minister would surely have seen to it that the rights and prerogative of parliament were preserved and the decision made known to the House of Commons first.

During the whole day of the conference on December 7 the members of the conference—and that included members of the United States congress—had listened to well prepared and well documented briefs read by competent people who had been interested in the project for several years. There had been a great deal of enthusiasm, hope and interest shown, and it was unanimously agreed that the very least that could be done would be for the Canadian government and the United States government to engage in a joint study on a program.

One of the speakers at the conference was Mr. Holubowicz from the port of New York authority. His statement can in no way be

considered as an exaggerated, or ill-thought out one. I think it is a very moderate and useful statement and I should like to put it on record in *Hansard* at this time. It is taken from a copy of a speech he made on December 7 at a meeting in Montreal of the Quebec chamber of commerce and it reads as follows:

> At this point, perhaps it will be helpful for me to recapitulate for you the attitude of the principal United States proponents of the Champlain waterway study.
>
> It should be understood clearly that the efforts being carried out in the United States are limited for the present to the carrying out of a comprehensive study of the project, and not at obtaining authorization on or funds for any actual improvement as yet. At present, no one has sufficient information or technical data on which to base a judgment as to the economic feasibility or justification of any improvement. There has been talk of a 12 ft., 14 ft., 16 ft., 27 ft., and even a 35 ft. waterway. Obviously, no judgment can be made as to which of these depths should be provided, or for that matter whether any improvement at all can be justified, until a full study is completed, which will, among other things, relate economic benefit to the cost of construction.
>
> Therefore, our point of view is that a comprehensive study is needed, similar in scope to the study conducted by the international joint commission in 1937. In our opinion, this is a rational and sound approach to the problem of development.

He concludes by saying:

> Many interests in the United States are hopeful that the Canadian government will decide to join in studying this project which holds out such a great promise for the economic future of both our countries. We earnestly believe that if competent studies indicate the need for improvement of this transportation artery it would form yet another link between our two countries and do much to enhance the friendship and spirit of cooperation that now exists between us.

That was one of the points of view put forward at the conference. There was, also, another viewpoint which was put forward by Lieutenant Colonel Dansereau, a member of the international joint commission. He had this to say as reported in *La Presse* of December 7, 1960.

(Translation):

> It is certainly possible to come to an agreement with the United States in the near future concerning 12 feet navigation on the Richelieu river.

(Text):

I have every reason to believe Lieutenant Colonel Dansereau because last summer I attended a meeting of the New York interstate commission which was discussing the project, and at a dinner which was given the governor of Vermont, Governor Stafford, stated toward the end of his speech that Vermont was ready to go ahead with the project but was waiting to see what steps the Canadian government proposed to take. On December 7, the Minister of Transport (Mr. Balcer) answered the governor of Vermont in no uncertain terms. The hon. gentleman answered the interstate commission, the board of trade and all those who were interested when he said at that banquet, and I quote from page 3 of:

(Translation):

> Excerpts from a speech delivered by the Hon. Leon Balcer, Minister of Transport, before the chamber of commerce of the province of Quebec, in Montreal, on December 7, 1960.

I quote from page 3:

> In my capacity as Minister of Transport, I should have liked to be able to inform you tonight that the federal government is willing to carry out such a project without delay, or still that we have decided to have the matter carefully looked into by the boundary waters commission. Unfortunately, I am not in a position to make such a statement, but this does not mean however that the government and my department in particular are not following with great interest the work accomplished by you people and that they are not impressed by the enthusiasm and interest shown in this project by such responsible people as you.

(Text):

The kindest thing I can say about the minister's statement that night is that it is the bluntest brush-off I have ever heard a minister of the crown address to any group. On page 7 of that same extract, the Minister of Transport had this to say, and I quote:

(Translation):

> The problem that the government, and more particularly the Department of Transport, have to face is to make the most of the taxpayers' money, with only one purpose in mind, to give public interest precedence over all other interests.

(Text):

That is a very profound and acceptable statement, but it is extremely difficult to see the application of that principle by a government which is willing to spend, for instance, $5,500,000 on military bands in this country but which refuses to pay some $15,000 for a joint study of the economic advantages to be derived from one of the country's economic assets at a time when our standard of living and prosperity depends so essentially upon our capacity for keeping our economy continually expanding. The government's attitude reminds me of a modern version of fiddling while Rome burns.

After the announcement in Montreal by the Minister of Transport of the government's policy with regard to Richelieu-Champlain waterway it was only natural that members of the opposition should try to obtain some pertinent information with respect to the study which was supposed to have been made by the government. Together with the hon. member for Laurier (Mr. Chevrier), the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) and others, I wanted to know, for instance, who had made the reports; what alternative routes had been studied; at what different depths had the project been considered; what consultations had taken place with the United States in connection

with a project which is international in scope; on what basis was the potential volume of traffic on the waterway estimated; and, lastly, what was the estimated cost of the alternative routes and the depths of those waterways.

In order to get some information which I felt was of public interest a motion was made for the tabling of the report, but here again a cloak of secrecy fell once more over the report, this time not by means of double-talk but in the form of a procedural technicality—it was argued that interdepartmental reports are considered confidential and cannot be tabled. The result was that the house was given no information whatever on the type of study which had been made and was asked to accept that the project is not economically feasible in spite of several available reports to the contrary.

Mr. Bell (Carleton): Would the hon. gentleman mind telling the house what steps were taken in connection with this project at the time the hon. member for Laurier was minister of transport?

Mr. Cardin: That is a simple question to answer, and if the parliamentary secretary had listened carefully he would have heard that in 1937 the international joint commission had stated they were going to discontinue the study which was being made until the St. Lawrence seaway had been completed. The difference which exists between now and then is that the St. Lawrence seaway is now completed.

It is a somewhat ridiculous situation that the government should be reluctant to make public the result of an economic and engineering study or survey of a public project on which a start was made in 1937, on the grounds that it is confidential in nature while at the same time the Minister of National Defence (Mr. Harkness) without batting an eyelid will announce to the world that half of our CF-100's will be phased out and that he is not yet sure whether or not the phased-out planes will be replaced. There seems to me to be an inconsistency in the two points of view. On the one hand the government declines to divulge to the house the results of a study of a public project but, on the other hand it can inform the world that we intend to cut by half our force of CF-100's.

Perhaps more than ever before in our economic history will it be necessary to study very seriously and to implement—

Mr. Campbell (Stormont): Mr. Speaker, would the hon. member permit a question. Was this matter brought up at the recent Liberal convention? If so, what was the reaction to it?

Mr. Cardin: I believe it was. It was not dealt with in my committee but I believe it was brought up.

Mr. Campbell (Stormont): What was the official reaction to it?

Mr. Cardin: The official reaction was very good. I only hoped it would be as good here in the house.

Mr. Campbell (Stormont): May I take it that this is the official policy from now on?

Mr. Cardin: I think the hon. member will have an opportunity of presenting his views and of discussing these matters on a later occasion. It seems to me our present and future economic difficulties and our unemployment problem will not be solved by one over-all solution. It will be necessary to study general economic and unemployment problems in terms of specific solutions for specific problems in specific areas. Although it is certainly commendable it is not sufficient to determine and to define distressed areas in our economy which must be given special help. This, of course, is good and needed but can only be considered an emergency measure to prevent the possible economic collapse of these areas. If we are to really ensure continued over-all prosperity by means of a continuing expanding economy we must pinpoint and utilize to the fullest possible extent all the natural assets with which our country has been so readily endowed.

I submit that the Richelieu river being connected with lake Champlain and the Hudson river is one of Canada's natural assets which could definitely bolster our economy and help to keep our economy growing. Although the government may be reluctant to give the basis on which it claims the Richelieu-Champlain waterway is not economically feasible, I have no hesitation in putting forth the arguments which I feel make the waterway not only feasible but a necessity if we are to exploit our natural assets intelligently and strengthen our over-all economy.

I mentioned earlier the rapid industrial expansion that is taking place between Montreal and Sorel. Apart from Marine Industries, a shipyard on the Richelieu at Sorel, and Sorel Industries which date back some 25 years, a number of heavy industries have been established in the area within the past 10 years.

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

Some hon. Members: Carry on.

(Translation):

Mr. Gabriel Roberge (Megantic): Mr. Speaker, I rise on a point of order. Standing order 31 says:

When Mr. Speaker is in the Chair, no member, except the Prime Minister and the Leader of the Opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member making a motion of no confidence in the government and a minister replying thereto, shall speak for more than forty minutes at a time in any debate.

Mr. Deputy Speaker: I submit that the exceptions to this standing order do not apply in the circumstances; but I gather that the consensus of the house is to allow the hon. member to continue his speech.

(Text):

Is it agreeable that the hon. member continue?

Some hon. Members: Agreed.

Mr. Bell (Carleton): By unanimous consent, Mr. Speaker, not on the interpretation of the rule.

Mr. Cardin: I thank hon. members for giving me extra time. I will try to conclude as quickly as I can.

As I was saying, in the past 10 years on the south shore between Montreal and Sorel a considerable number of heavy industries have flourished. There is, for instance, Quebec Iron and Titanium which started to roll in 1950. The Steel Company of Canada is now established there. Others include Quebec Titanium Pigment, St. Maurice Chemicals, the ore reduction plant at Contrecœur and Crucible Steel of Canada. British Titanium Pigments are now constructing a huge plant and plans for a rolling mill are being prepared. The result of all this is that the mouth of the Richelieu river falls within a highly industrialized area. Furthermore, there is east of Montreal and Sorel the paper mills and the ore mines on the north shore of Quebec and Labrador.

The present water transportation systems between this highly industrialized section of western Quebec and the industrialized section of the United States immediately to the south are (a) a very long, circuitous water route by the gulf of St. Lawrence and the Atlantic ocean, some 1,800 miles in length, or (b) the present six-foot waterway by way of the Richelieu river, a distance of some 650 miles.

A practicable waterway on the Richelieu would reduce the distance between the industrialized sections of Quebec and the United States by well over 1,000 miles. Adequate and modern canals and lakes on the Richelieu would mean a substantial reduction in transportation cost and would greatly increase the quantity and variety of the tonnage now moving on the Richelieu.

If the Richelieu were properly canalized it may be expected that there would be a large tonnage of concentrates to New Jersey, a greatly increased tonnage of newsprint, a substantial quantity of pig iron from the ore reduction plants and quantities of lumber, and wood pulp. There would also be quantities of semi-finished steels moving on the Richelieu. It may be expected that the northbound traffic would comprise raw cotton, clay products, raw sugar, molding sand, phosphate rock and structural steel.

It was estimated in 1949 that with a 12-foot waterway the total tonnage on the Richelieu waterway would aggregate two million tons. With the unexpected industrial development of the past 10 years in that area I am convinced that the aggregate tonnage would be far greater than that. I cannot help but think that the government judged the project as economically unfeasible on the basis of the present tonnage moving on the six-foot waterway and on the basis of the incalculable obstacles to transportation. Surely the government could not have taken into account the industrial expansion that has taken place in the area since the international joint commission made its report in 1937. I submit that the whole south shore from Montreal to Sorel within 10 to 15 years will become the Pittsburgh of Canada in the heavy iron and steel industries.

I hope the government does not believe that additional tonnage on the waterway can be achieved under the present impossible conditions that obtain there. Even the government, I think, must agree that increased traffic on the waterway and industrial expansion will follow the development of the waterway but cannot and will not precede it. I feel that an appropriate and adequate waterway would not only increase the tonnage of traffic on the Richelieu but would encourage the building of secondary industries along the seaway and give rise to a great increase in the number of tourists by yachts. This in itself is also becoming an important industry. In turn this would promote innumerable service trades on the shores of the Richelieu. Canada cannot and should not ignore any of these potential developments at this time.

Having stated some of the reasons why I feel that the Richelieu waterway is not only economically justifiable but even advisable at this time—an opinion which is shared by economists and engineers both in Canada and the United States—I should like to say a few words concerning the possible routes of the waterway.

To my mind, of all the routes that have been considered over the years and recently, the natural route, that of following the Richelieu river to meet the St. Lawrence

river at Sorel offers the greatest advantage both from an economic and an engineering point of view. I believe that the work that was started in 1937 to build a 12-foot waterway to Sorel should be completed as a first step. Then, if outbound and inbound traffic directed to Montreal from the United States would not foul up shipping on the St. Lawrence river, a cut-off from St. Jean to Laprairie might be constructed as a second step. The reasons I have to support my suggestions are to be found in the international joint commission interim report on the Champlain waterway at page 15, where the commission's conclusions are set out, as follows:

That there are five possible routes for a waterway from Montreal to the Hudson river by way of lake Champlain, the last mentioned being an all-water route and the remainder overland routes, as follows:

(a) From lake St. Francis on the St. Lawrence river to lake Champlain via the Chazy river.

(b) From lake St. Francis to the Richelieu river three miles south of the city of St. Johns.

(c) From Caughnawaga, on the St. Lawrence river, to Fryer's island on the Richelieu river.

(d) From the St. Lawrence at Longueuil to Fryer's island on the Richelieu river.

(e) From the St. Lawrence river at Sorel up the Richelieu river to lake Champlain.

In the case of all five routes the existing waterway would be followed through lake Champlain and by way of the Champlain canal to the Hudson river at Albany.

That of these five routes, the last mentioned (e) is the most practicable from an engineering standpoint and the least impracticable from an economic point of view.

As a second reason for supporting my suggestion I would say that this particular route is the only all water route of all those that I have mentioned. Recently there has also been talk of a canal between St. Jean and Laprairie, but that also would be an overland route and I shall have something more to say about that particular suggestion in a minute.

One of the strongest reasons for the suggestion I have made is that the greatest volume of traffic now contemplated would come from points below Montreal and the access to the Richelieu river at Sorel is not only unencumbered, but it also offers the shortest route to in-shipping coming from points east of Montreal and destined for New York.

The fourth reason is that when the St. Lawrence seaway was first planned the canal was to pass on the Montreal side of the St. Lawrence. However, subsequently the plans were changed and the canal now passes on the south shore. A canal from St. Jean to Laprairie would necessarily fall in the St. Lawrence seaway traffic and as there are enough tie-ups in the St. Lawrence seaway, any cross traffic on the seaway should be considered very seriously.

Richelieu Waterway

My fifth reason is, as I said earlier, that Lieutenant Colonel Dansereau, who is a member of the international joint commission, stated that the United States was ready to go ahead with a 12-foot waterway and, from what I have heard on the subject from United States spokesmen I have every reason to believe that the United States would be ready to proceed with a 12-foot canal, but they do not at this time consider a 27-foot waterway.

If a canal is to be dug from St. Jean to Laprairie to my mind, it should be a 27-foot canal if it is going to have any economic value at all. However, a 12-foot waterway with adequate locking facilities could and would at this time immeasurably increase tonnage of traffic on the Richelieu and help the industrial expansion in the Richelieu valley, which in turn would contribute to Canada's over-all economic expansion until a 27-foot waterway is considered by both the United States and Canada and a 27-foot canal can be dug from St. Jean to Lapraire.

The Richelieu waterway is not the only national asset Canada possesses, and since we have to find a way to further expand our economy, then the Richelieu seaway and other such projects should be proceeded with without delay.

In solving the unemployment problem, short term measures must necessarily have to be taken into account, but the real solution of the unemployment problem is to plan for and create an atmosphere and conditions which will facilitate our industrial expansion, create more jobs and expand our economy.

Up until the announcement was made by the Minister of Transport on December 7, I, and many Canadians, had entertained very high hopes that the Richelieu-Champlain waterway would start almost immediately. I recall the summer of 1959, I think it was, when the Prime Minister (Mr. Diefenbaker) was making his political tour of the province of Quebec. He stopped off at Sorel for the purpose of examining the waterway and from all appearances he seemed to be very much impressed by it. In the report that appeared in the *Canadian Shipping and Marine Engineering News* of January, 1960. Mr. Plummer had this to say, and I quote:

At the conclusion of his inspection trip, the Prime Minister confided to the federated chamber of commerce heads and delegates accompanying him and to Dr. L. G. Tombs (vice president of Guy Tombs Limited, Montreal), chairman of the navigable waterways committee of la chambre de commerce de la province de Quebec:

"You may rest assured that if this project is capable of realizing a spur to the prosperity of the nation, it shall be studied with all the attention it merits."

In the light of what the Minister of Transport said on December 7 we are faced once

again with the difference that exists between the Prime Minister's words and the government's action. It was very disappointing to those who were at the conference to hear that the government not only did not intend to start work on the project but was not even willing to go ahead with a joint study of the project through the international joint commission.

In this resolution, Mr. Speaker, I am asking not for a start immediately on construction of the seaway but for a serious study to be made by appointing a board of engineers to study, in connection with a United States board of engineers, the project so as to determine whether it is economically feasible. I am convinced that any study of that kind would show that the Richelieu waterway would be economically advantageous to Canada. If the government does not reconsider its decision of not having a full scale study made of the project, not only will it be brushing off countless citizens who have been interested in this project for many years but it will also be brushing off an opportunity to facilitate our industrial expansion, create employment and contribute to Canada's economic growth.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, for many years, there has been some talk about the Richelieu waterway. I was most surprised indeed that the hon. member for Richelieu-Vercheres (Mr. Cardin) did not mention his uncle, the late Hon. P. J. A. Cardin who, when he was Minister of Public Works, had a survey made in connection with the Richelieu waterway. Indeed, the international commission which was appointed at that time stated as follows:

> It is relevant to note that the Canadian government might decide to dredge the Richelieu river to a depth of 12 feet all along, from the international frontier to the St. Lawrence. In that case, the United States would only have to carry out minor dredging operations near Rouses Point to ensure a 12-foot deep navigation channel from the St. Lawrence to the Hudson.

At the time the uncle of the hon. member for Richelieu-Vercheres did not think it appropriate, following certain recommendations by the international commission, that the Canadian government should proceed with the Richelieu waterway.

Moreover, was there under the former administration, under the minister of transport of the day, any study made of the Richelieu waterway scheme? The hon. member for Laurier (Mr. Chevrier) should know something about it, as he was responsible for the St. Lawrence seaway authority as its president, apart from having been minister of transport.

I think, Mr. Speaker, that it would have been easy at the time to examine a possible deepening of the Richelieu river when the hon. member for Laurier (Mr. Chevrier) was minister of transport and studied the St. Lawrence waterway project. It would certainly have been less costly for the Canadian government, because, when the St. Lawrence waterway was being built, there was a team of engineers at work who could have studied the project and drawn up the required plans.

It is true, Mr. Speaker, that the hon. member for Laurier was not living in the province of Quebec and probably was not interested in considering the problem. But now that the hon. gentlemen are sitting in the opposition, they have an entirely different outlook and are trying to hurry up the project and exert pressure on the government. Yet, the hon. member for Laurier failed in his duty in refusing at the time to have this project seriously studied by the same team of engineers who had worked out plans for the St. Lawrence seaway.

Mr. Speaker, as the hon. member for Richelieu-Vercheres said, the Prime Minister (Mr. Diefenbaker) visited the area, thus showing his strong interest in the matter, because never in the past had a Prime Minister of Canada gone to Sorel to study the issue. The hon. member for Richelieu-Vercheres was very happy about it, because he himself went to greet him.

Mr. Speaker, I am most surprised, as I said a moment ago, to see that while there is so much talk about it today nothing was said four, five or six years ago, and that in fact, the hon. member for Laurier did not deem it advisable to study the problem at the time.

Mr. Speaker, I only wanted to say a few words on this project and to state that the Canadian government always gives serious consideration to the problems which are submitted to it. There is certainly a hope that in the near future, more positive work will be done with regard to the Richelieu waterway.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, in all the time I have been a member of this house, I have noticed one thing in particular, and that is the fact that members who know practically nothing about some matter or other are the first ones to talk about it. I have also noticed that on many occasions those who dealt with a project such as this one were not conversant with the subject. This has been made evident in the remarks of the hon. member who has just resumed his seat.

He talked without any knowledge of what has gone on before, and especially, without have listened closely to what has been said by the hon. member for Richelieu-Vercheres (Mr. Cardin).

Mr. Speaker, he sought to give the house the impression that the man who bore the name Cardin, that is the late Pierre-Joseph-Arthur Cardin, had not seen fit, at the time he was minister of marine, and later minister of public works, to consider developing the Richelieu river waterway.

As for me, I say with full knowledge of the facts that few members and ministers in this house have taken more interest in this matter of the Richelieu waterway, and have considered it with greater enthusiasm than did the former member for Richelieu-Vercheres, the late Mr. Cardin.

Due to his efforts, the Richelieu has been deepened to a depth not of 12 feet but of 25 feet, over a distance of a mile and a half above Sorel. Thanks to his perseverance, the St. Ours canal has been deepened by several feet, and during all the years that this hon. member was a minister of the crown in this house, he proved clearly that not only he understood the situation, but that he could take action. He did a lot more than many members and ministers opposite. He was not satisfied with just discussing the project; he backed his word with actions. He achieved something—

Mr. Pigeon: Mr. Speaker, may I ask a question to the hon. member for Laurier?

Mr. Chevrier: Yes.

Mr. Pigeon: Could the hon. member tell me why, when the international commission was created for this purpose and made recommendations to the government at the time, the Hon. P. J. A. Cardin did not follow them and deepen Richelieu canal to a depth of 12 feet?

Mr. Chevrier: Mr. Speaker, my answer to the hon. member for Joliette-L'Assomption-Montcalm is that his question is as stupid as was the speech he just made. And I will tell you why—

Mr. Pigeon: Mr. Speaker, on a question of privilege. I ask the hon. member for Laurier to withdraw this unparliamentary remark.

Mr. Robichaud: Oh, no. It is too evident.

Mr. Chevrier: Mr. Speaker, the question is so stupid—

Mr. Deputy Speaker: Order. Is the hon. member for Joliette-L'Assomption-Montcalm rising on a question of privilege?

Mr. Pigeon: I am, Mr. Speaker.

If the hon. member for Laurier knew the French meaning of the word he used, he certainly would not have used it, and I beg you to request the hon. member for Laurier to withdraw this word.

My question is based on information I have read in the paper *Le Marin Canadien,* where it is clearly stated—

Mr. Chevrier: Mr. Speaker, I repeat what I said earlier, that not only is the question stupid, but so is the member who just made a speech, and I will tell you why—

Some hon. Members: Order.

Mr. Fulton: Abuse will get you nowhere.

Mr. Deputy Speaker: I think the hon. member for Laurier has just established the difference between a parliamentary word and an unparliamentary one. The hon. member for Laurier first said that the question was as stupid as the hon. member's speech, but just now he said that the hon. member is stupid—

Mr. Habel: Absolutely.

Mr. Deputy Speaker: That, in my opinion, is an unparliamentary statement, and I ask the hon. member for Laurier to withdraw the remark.

Mr. Chevrier: Mr. Speaker, on a question of privilege, I would ask you to show me under what section of the standing orders of the house a member is debarred from saying that another member is stupid, and I will remind you exactly of what happened at the time the budget was brought down. The Leader of the Opposition (Mr. Pearson), referring to the budget, described as stupid an interruption by the Minister of Finance (Mr. Fleming); yet the chairman did not consider it appropriate at the time to ask the Leader of the Opposition to withdraw.

Mr. Denis: Mr. Speaker, to supplement the statement just made by hon. member for Laurier, I recall that—

Mr. Deputy Speaker: Would the hon. member for Laurier tell me what page of *Hansard* reports the incident to which he is referring—

Mr. Chevrier: Mr. Speaker, I cannot at this moment give you the page number—I would have to look for it, but it was during the debate on the budget.

In any event, Mr. Speaker, I should like to go on with my remarks, and if the hon. member—

Some hon. Members: Order.

Mr. Chevrier: Hold on.

Mr. Speaker, I am still on the question of privilege. If you feel that the word "stupid", which I used with reference to the hon. member for Joliette-L'Assomption-Montcalm, is unparliamentary, I have no hesitation in withdrawing it; however, I repeat that his question was stupid, just as was his speech, in any case, and I shall tell you why. It is because the hon. member for Richelieu-Vercheres indicated that in the report of the international joint commission, it was clearly established that the commission was not to deal with the matter of the Richelieu seaway until the St. Lawrence seaway had been completed.

Now, the member who has just interrupted me should have known that; and if he did not know, he should not have made the statement he made a moment ago.

Mr. Pigeon: Mr. Speaker, on a question of privilege. In order to correct what the hon. member for Laurier has just said—

Mr. Deputy Speaker: Order. I would point out to the hon. member for Joliette-L'Assomption-Montcalm that if he merely wishes tc correct the interpretation which the hon. member for Laurier has put on his remarks, he may do so when the hon. member for Laurier has finished; there is no actual question of privilege involved.

Mr. Robichaud: He does not know the standing orders.

Mr. Chevrier: Mr. Speaker, when reference is made to the Richelieu seaway, one should at least take time to study the matter and learn what it is all about, because according to what the previous speaker said, it is obvious that he did not know what he was talking about.

(Text):

I should now like to come back to the subject under consideration by the house, if I may be allowed to do so. The first thing I should like to do is to congratulate the hon. member for Richelieu-Vercheres (Mr. Cardin) who made an excellent presentation of this resolution this evening. During the course of at least 60 minutes he indicated to the house not only that he understood the purport of the resolution but also that he knew whereof he spoke.

It seems to me that this is a simple resolution. All it does is to ask the government to set up a board of engineers to consider the feasibility of the route from the St. Lawrence to New York via the Richelieu river and lake Champlain. That is not asking such a terrible thing. The government from time to time, sets up commissions of this kind.

The hon. member for Richelieu-Vercheres during the course of his remarks has indicated that this is a matter which would cost perhaps something in the neighbourhood of $15,000. When one realizes that not only the Prime Minister (Mr. Diefenbaker) but the Minister of Transport (Mr. Balcer) and the Minister of Mines and Technical Surveys (Mr. Comtois) went down to the area and when they were there certainly led the people to believe that something would be done about this waterway. A year or two or more has gone by, and absolutely nothing is being done about the matter.

What is the position? Why should this resolution not be agreed to? Why should not the government give immediate consideration to this resolution and implement it? The international joint commission in a report referred to by the hon. member for Richelieu-Vercheres which was brought down in 1937 made it quite clear, and that is an answer to the question put by the hon. member for Carleton (Mr. Bell), that until the St. Lawrence seaway had been completed the commission asked for permission to suspend the whole matter and when the St. Lawrence seaway was completed then consideration should be given to the project. That is all that is being asked by those of us who sit on this side of the house. There is nothing contradictory in what the hon. member has said to what was done by those who were in office prior to the present administration.

The St. Lawrence seaway has now had two complete years of operation and in my opinion they have been two successful years of operation. Why then has not the time arrived—to use the language of the international joint commission—to give consideration to this matter? It is an international project. It is one which requires the concurrence of both the government of the United States and the government of Canada. It is a matter in which several states south of the border are interested. It is a matter in which, north of the border, the province of Quebec has a particular interest.

As the situation stands now I am informed on good authority—and I believe this to be the case—that a large sum of money has been set aside by the United States government authorizing the United States corps of engineers to make borings and studies of the whole project. In fact the United States corps of engineers since this government has been in office have obtained information in connection with this project in relation to the territory of Canada. If that is the case and if the information which I have is correct, then

there is no reason why those who sit on the other side of the house should not co-operate with the United States corps of engineers in setting up a board which would study the economics of this route.

The government is giving consideration to and is studying the Ottawa river waterway. That is a subject which several of us who sit on this side of the house have approved. We think that a study of the Ottawa river or of the canalization of the Ottawa river is one which should be undertaken and I believe that the government has given consideration to it.

An hon. Member: It is doing it.

Mr. Chevrier: If it is doing it in so far as the Ottawa river is concerned, why not do it equally in so far as the Richelieu river is concerned down to the United States boundary? It would cost much less to study the economics of the Richelieu than it would to study those of the other routes, although that consideration should not make any difference. Both of them will be linked to the St. Lawrence in this way: one will be moving its traffic down to the St. Lawrence and the other will derive a great deal of its traffic from the St. Lawrence. If the one is a matter which should be studied by this house, it strikes me that the other is also a matter which should be studied.

Another question which comes to my mind is this. What should the board study? The board should study the various routes. It should study the cost and it should study the economics of this waterway. The hon. member for Richelieu-Vercheres referred to five routes that were considered by the report of the international joint commission. Because they are now known to the house I shall not go into those routes except to say this. Since the report of 1937 was made the economy of the province of Quebec in that area has changed completely. It has changed in so far as the St. Lawrence seaway is concerned. It has changed in so far as the development of the north shore as well as the south shore of the St. Lawrence is concerned. With the construction of the St. Lawrence seaway and the building of the two turning basins in the Laprairie basin, it is now only a short distance from either of those two turning basins to the city of St. Johns. It may be some nine miles, 10 miles or 11 miles.

The experience we gathered from the construction of the St. Lawrence seaway was that excavation costs in the dry were, of course, much less than dredging costs. That is a reason why this study should be undertaken, namely to ascertain which of these five routes, six routes or more is the most economical one having regard to circumstances as we find them today.

Then the potential is entirely different. It is the discovery of iron ore in the mines of Labrador and of northern Quebec that tilted the balance in favour of the St. Lawrence seaway. Since iron ore has been discovered, two railways have been constructed on the north shore, one from Schefferville to Seven Islands and another from Gagnon to Port Cartier. Several developments of not only iron ore but by-products coming from the manufacture of ore have resulted in industry being established in the triangle of Montreal-Sorel-Beauharnois. Because of that the potential of the Richelieu cut-off is far greater in 1961 than it ever was in 1937, when this report was made.

I need not tell this house that water transportation is perhaps the cheapest form of transportation in the world. That was one of the main reasons why the great lakes system was developed, in order to bring the inland carriers down to the ports of Montreal and the St. Lawrence river.

Here we have inland ships carrying large cargoes that used to come down to Port Colborne and Prescott for transshipment who because of the construction of a 27-foot channel through the international section of the St. Lawrence river are able to come right down with their huge cargoes, thereby reducing the cost of transportation tremendously.

Such will be the case also if there is development of the Richelieu-Champlain cut-off. Whether it be 14 feet or whether it be more there can be no doubt that the cost of transportation by water of the iron ore, if such be the case, or the products derived from iron ore, or titanium, or such other industries as have been established at Contrecœur, Varennes and Sorel, from the St. Lawrence either by way of Montreal or Sorel will be much lower than the cost of transporting them by rail or even by sea, since the difference is 1,000 miles greater along the coast of the Atlantic ocean.

Therefore it seems to me that this project is one that should commend itself to the house. It should commend itself to the house for another reason, because I believe that if a board of engineers were to find in favour of the economics of this project they would recommend it on a self-liquidating basis. They would of necessity have to treat it in the same way as the St. Lawrence seaway was treated, namely that the cost of construction, whether it be $50 million or more, should be repaid by the imposition of tolls. It would of course be illogical, in my opinion—and I may

be mistaken—to have tolls on the St. Lawrence river and not the Richelieu, which because of the amount of the expenditure involved would of course be much less than now obtaining on the St. Lawrence canals.

The hon. member for Richelieu-Vercheres has indicated the attitude of the government. I hold in my hand a memorandum which was presented to the Prime Minister by a delegation which waited upon him in June of 1958, which sets out the reasons why this project should be completed. I know that this submission was well received at the time. Not only was it well received by the Prime Minister, but it was also well received by those of his ministers who are from the province of Quebec. I am somewhat surprised that the Minister of Transport is not in his seat this evening. I presume he has other business of importance to attend to, otherwise he would be here. But I am glad to see that the Minister of Mines and Technical Surveys is here, because this is his district and he has already declared himself in the matter.

I hold in my hand a clipping which appeared in *La Presse* of October 28, 1957, entitled:

(Translation):

The digging of the Richelieu channel to a depth of 12 feet.

(Text):

And, in quotes:

(Translation):

"Absolutely necessary", states the Hon. Paul Comtois.

(Text):

And, a little further down in the report, this is what follows:

(Translation):

The Hon. Paul Comtois, minister of mines in the Diefenbaker government, stated that this "project is absolutely necessary for the economic life of the Richelieu area".

"If I am given the opportunity of contributing to the success of that undertaking", went on the representative of Nicolet-Yamaska in the commons, "I shall consider it my duty to associate myself to all those who are promoting it."

And a little later on, in quotation marks, always quoting the minister:

"It is certain that we need that seaway", added Mr. Comtois, who referred to it as a "magnificent project", which is of great interest to us.

(Text):

I congratulate the minister and commend him for the statement which he made. It is an excellent statement and one that I am sure would receive favourable comment from not only his own constituents but all those who reside in the area. However I must tell the minister that he could not have had a great deal of influence with his colleague the Minister of Transport, because the Minister of Transport made it quite clear when he spoke at this banquet in Montreal that no action was to be taken by the government. Not only did he say that no action was to be taken by the government, but he found that the study indicated that the economics were against the project. Having said that the least that could be done by the Minister of Transport would be to produce in the House of Commons the study which indicates this so we would know why the government came to that conclusion.

But when the hon. member for Richelieu-Vercheres moved to have produced the papers there was complete secrecy; the government fell back on the question of interdepartmental papers which are not producible. If that is the case the minister should not be making the statements that he does make. After all, if it is a fact that the economics are against the project let us see what the economics say. Surely the house has a right to know on what basis and on what foundation the minister places himself when he makes statements of that character.

It is quite clear to those of us who sit on this side of the house that the government has no intention of implementing this project either by way of construction or by way of the establishment of a board of engineers. The least that the government could and should do is to set up a board of engineers to study the question so that we would know which of the five routes is feasible, the cost of the route, the savings in transportation costs and whether or not the project is justified economically.

But they will not set up a board. They tell us the economics are against the project, and they will not produce the documents to substantiate this. But they go down to the area and get the people all excited, as they did in the 1957 and 1958 campaign. They went across this country from region to region, from province to province, and indicated to many people in Canada that they were going to carry out a number of great projects. However, when they got into the house many of those projects fell flat, just as this one is now falling flat. I can tell the members of the government that the people who reside in this area are not going to forget all the fuss and thunder made by the Prime Minister (Mr. Diefenbaker) and those associated with him when they went down to the area and certainly led the public to believe that something was going to be done.

At least, if a board of engineers had been established surely there could have been no criticism in the house; surely there could have been no objection to a measure which would have cost somewhere in the neighbourhood of $15,000. That is why I say the hon. member for Richelieu-Vercheres was

well advised in moving the resolution which he did, and if the government is ready to vote on this, then let us have the vote because then we shall let parliament decide whether hon. members opposite were justified in acting as they did, and whether the motion of my hon. friend the hon. member for Richelieu-Vercheres was well founded.

Again I commend him for having given the time and study which he has to this subject, along with the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis). Both these hon. members have spent a great deal of time in studying not only the economics but the historical aspects of this project.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I would like to refer you to rule 37 of the standing orders of the house. The hon. member for Laurier (Mr. Chevrier) said something about being stupid in his speech—

Mr. Dupuis: He withdrew the expression.

Mr. Pigeon: Rule 37 authorizes me to tell the hon. member for Laurier that my information was reliable and correct, because it was taken from the publication *Le Marin Canadien* of April 16, 1960, and what I said was printed there in quotation marks.

The hon. member insulted me and also insulted all the seamen of Canada.

Mr. Chevrier: Nevertheless, you are stupid.

Mr. Pigeon: The hon. member is a nitwit. He had to change ridings.

(Text):

Mr. D. M. Fisher (Port Arthur): The hon. member who sponsored the resolution, and the former minister of transport are very anxious for a vote on this resolution and I just thought that speaking for our party we would support the resolution, not with any particular enthusiasm for what might come beyond it because we cannot really say, but the resolution does seem to ask for something fairly moderate and within range—it is only a question of a board of engineers.

In so far as the actual project is concerned, it seems to me some part of Canada is always being captivated by some great public works project which is going to make that region bloom like a rose. I know we had a great dream at Port Arthur of what the seaway was going to do for us. I understand there are people around Saint John who have a great dream of what the Chignecto canal is going to do for them and the K. C. Irving interests. I know that my colleague from Timiskaming (Mr. Peters) and his friends have great hopes for Moosonee as an industrial port once $50 million or $100 million have been devoted to it. I know the hon. member for Carleton looks forward to the day when he can look out on to the new driveway along the Ottawa river and see heavy tankers and ore barges transporting material here and everywhere. These are all dreams which members of parliament, particularly in their own regions, never go against, but I should just like to suggest we might be realistic enough to allow one grandiose project every five years.

I will give this government credit for initiating a grandiose project in the South Saskatchewan dam. John R. MacNicol, a Toronto man, was a great enthusiast and supporter of this project. He used to come into a library where I worked and look up files and records referring to it. He said: They will not listen in Ottawa but some day they will and we shall have that dam. He said: It will change the whole face of the prairies; it will make Saskatchewan the garden of the west. And on he went.

This is grand stuff, part of the Canadian tradition, but we come down to the fact that so many of these grandiose dreams when they become reality are not quite as fine as we expect. I see the hon. member for Stormont (Mr. Campbell) in the house and, of course, the former minister of transport came from Stormont, and we know that Cornwall, the city of Stormont, was affected very much by the St. Lawrence seaway. We know that Cornwall is not as prosperous as it was a few years ago because of the St. Lawrence seaway.

Mr. Chevrier: No. May I interrupt the hon. member to tell him that if Cornwall is not as prosperous today it is not because of the St. Lawrence seaway but because of other and very different reasons.

Mr. Fisher: My point is that we get these grand dreams. To read Creighton's book "The Commercial Empire of the St. Lawrence", Montreal has been dreaming of shipping to both the American and the western market ever since the 1780's and 1790's. The whole of the canal building along the St. Lawrence, the Welland canal, the railway to the west, all these things were designed to make Montreal the centrepiece of the Canadian economy and I should like to suggest that while it has made a great contribution, today the shift in transport is towards other means rather than water. I would like to suggest that those people who see canals as being a great solution to any area's economy perhaps are probably 50 or 60 years behind the times. It seems to me we should be looking more to airports and facilities in that line or smoothing out of railway problems, or

better highways for our trucks because I cannot believe that water shipping and the difference today in the return you get from it is really that vital. I know that if you get grain shipped to the west by water and rail, or by all rail there is very little advantage in it. It has been one of the great complaints of the prairie provinces that despite the fact you have the St. Lawrence seaway and shipping right to the heart of the country you cannot get freight moved from east to west with the savings you might expect.

All I am saying really is that it seems to me we as Canadians have tended to over-exaggerate the importance to our economy of these advances in the building of canals and waterways just as we have tended to do the same thing to some extent in the case of railways. I think it is about time we looked more toward highways and airports which seem to me to fit into a more rounded picture of transportation at this time.

But this leads me away from the resolution, and to return to it we would support the resolution although not with any tremendous enthusiasm for the project as it seems to stand here, but in the hope that a good report would indicate to us more solidly the economic and other advantages of the scheme.

(Translation):

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I intended to make a rather elaborate speech, but I see that time flies and that the people from the west are taking over the Richelieu. I shall therefore be brief.

I would be angry with myself if I went right to the point without referring to the hon. member for Joliette-L'Assomption-Montcalm who for us has become the inevitable member for Joliette-L'Assomption-Montcalm, the petulant and childish member for Joliette-L'Assomption-Montcalm. I know he will not ask me to retract my words, because he is not aware of their meaning.

Mr. Pigeon: You are following in the footsteps of the hon. member for Laurier.

Mr. Dupuis: The hon. member for Joliette-L'Assomption-Montcalm made a speech in which he strayed away—I would not say from the track—but from the river.

The hon. member told us how proud he was that his chief, the Prime Minister of Canada (Mr. Diefenbaker), visited the Richelieu river in September 1959, to see what was going on there.

Once again, we realize that the hon. member for Joliette-L'Assomption-Montcalm should have been better informed before speaking.

Mr. Pigeon: I was on the spot.

[Mr. Fisher.]

Mr. Dupuis: Yes, the hon. member was there and I shall tell him what he saw.

When the Prime Minister left Ottawa he told the newspaper correspondents that he was going to sail down the Richelieu to see the possibilities of digging a channel in that beautiful waterway.

He was due to arrive at Sorel. Everybody was waiting. The hon. member for Joliette-L'Assomption-Montcalm was waiting too.

At a given time, about 3 p.m., according to a report published in *La Presse* of September 22, 1959, the crowd massed on the banks saw the ferry arriving. "There he is", the people said. The member for Joliette-L'Assomption-Montcalm comes first and shouts: "Hail! Here comes the great man." Well, instead of the Prime Minister there came two big Percherons, again according to the report of *La Presse*.

Do you know what happened afterwards Mr. Speaker, while the member for Joliette-L'Assomption-Montcalm and his friends were waiting for their leader? It happened that the Prime Minister came two hours late. He was them put aboard a small craft which took him on a small 20-minute tour and left him on the other shore. He then got into a blue convertible and was driven to the Quebec region where he made political speeches all the way. He completely forgot the Richelieu river.

That is what happened in September 1959 and I thank the hon. member for Joliette-L'Assomption-Montcalm for having given me this opportunity to recall such an occasion.

Mr. Speaker, now I would like to congratulate the hon. member for Richelieu-Vercheres (Mr. Cardin) who made tonight in this House of Commons a truly serious speech including complete statistics and a careful documentation.

The proposed Richelieu waterway is a project worth doing. The hon. member's speech stands out against the remarks made on the other side of the house.

It is in fact a serious matter. Mr. Speaker, the member for Richelieu-Vercheres knows what he is talking about. He lives in a constituency bordering the Richelieu river. He does not live on the shore of the small Assomption river. He knows the Richelieu and, besides, he represents here the constituency so named.

Mr. Pigeon: That is an insult to the people of the Joliette-L'Assomption-Montcalm constituency.

Mr. Dupuis: The fact that you are here.

Mr. Pigeon: I am not changing ridings, and do not worry, I will not move.

Mr. Dupuis: Anyway, if you stay there you will die there.

So, Mr. Speaker, I was saying that the member for Richelieu-Vercheres, who lives in a bordering constituency, takes an interest in the waterway. Tonight, you have heard in this house the hon. member for Richelieu-Vercheres and the former minister of transport, the member for Laurier, who set forth to the house the serious reasons in support of the waterway.

What did the government members offer us? I say it is an insult to the province of Quebec that from the Conservative side, we hear nothing but a Pigeon.

Some members opposite have responsibilities. While the matter of the deepening of the Richelieu river, which concerns his department, is being discussed, the Minister of Transport (Mr. Balcer) is not even in his seat. The member for the neighbouring constituency of Chambly-Rouville (Mr. Johnson) whose riding borders on the Richelieu river, is not even in his seat tonight. The member for Nicolet-Yamaska (Mr. Comtois), the Minister of Mines and Technical Surveys, who makes high-sounding electoral statements throughout the province, suggesting that the Richelieu waterway is an important matter, is in his seat tonight, but he is almost asleep while the matter is being discussed in this house.

Mr. Pigeon: You are very polite.

Mr. Dupuis: And just where is the Associate Minister of National Defence (Mr. Sevigny), whose constituency borders on the Richelieu river? He is nowhere to be found, he is elsewhere.

While we, on behalf of our area, call for the deepening of the Richelieu river, something which would attract industries and provide jobs for Canadians in that area, as the member for Richelieu-Vercheres has made abundantly clear earlier, while we argue in this house for this waterway, while we call for action and deeds, we note that the Associate Minister of National Defence who is directly concerned in this waterway, because his constituency is next to the Richelieu river and he is a resident of the province of Quebec, made the following statement as reported in this evening's issue of *La Presse*:

> In my riding, I organize dances, fashion shows, etc.; under the Roman empire, you know how the Caesars ruled over their subjects: "with bread and games". When no bread was available, then games were organized. You know that the federal government is unable to grant all kinds of favours. If there is no bread, then there will be games.

I believe it is time the province of Quebec realized that the ministers in the present government do not represent the aspirations of our province.

In fact, when the Minister of Transport (Mr. Balcer) came to the Queen Elizabeth hotel last December to address the members of the chambers of commerce gathered for a day's study of the deepening of the Richelieu river, he threw cold water on the enthusiasm of those who have worked for years towards the implementation of this great project. The Minister of Transport came before the members of the chambers of commerce saying: "I have an interesting statement to make." Here is the statement: "You may be hoping that the government is going to ask the international joint commission to consider the deepening of the river, but unfortunately, I cannot tell you that it will."

Well, Mr. Speaker, in the Liberal party, and I am happy to recall it tonight to the house, we have members who look after the interests of their area. They look after the interests of their province, while the member for Chambly-Rouville (Mr. Johnson) never said a word in favour of the waterway. He is not even here tonight, when we are discussing that matter, one which affects each and every elector in Chambly-Rouville.

When the Minister of Transport is absent, when the Associate Minister of National Defence is absent, we, Liberals, rise in this house to say that we have been active.

The member for Richelieu-Vercheres and I went to the United States to attend the interstate conference in the state of New York. In 1959, we went to the interstate conference in Vermont, and to the 1960 conference, again in Vermont—

Mr. Pigeon: Neither of you did much.

Mr. Dupuis: —where we have met engineers, American experts and the governor of Vermont who told us why they were for the immediate deepening of the Richelieu river and lake Champlain. Not so long ago, we went to a town in our ridings and called a meeting of six members from ridings bordering on the river.

We explained to them the reasons in favour of the Richelieu waterway. We asked the Quebec provincial government that the committee or the Quebec board of economic planning look into the economic advantages of that waterway for our area and our province, and forward their report to the federal Minister of Transport. We formed a responsible committee of six riparian members and called a conference at Beloeil, in early December, when we invited an internationally known planner to address the conference on the advisability of the Richelieu waterway.

What happened? Our friends opposite sent us delegates to tell us: "Do not organize that conference with this great planner, you invited. Postpone it, because next December the federal Minister of Transport will address the chambers of commerce of Montreal and make an important statement about the Richelieu". Therefore, at their request, we cancelled our meeting, even though it was important, and waited for December. Then on December 7, 1960 we heard the Minister of Transport woefully confess that he had no intention of considering a problem that everybody wished would be looked into immediately.

Now, as we are discussing tonight a problem as important as the waterway, I say that we are tired to see that no minister nor Conservative member of parliament from Quebec is prepared to accept his responsibilities. We have had enough of ministers gadding about making political statements. We have had enough of seeing, as we do tonight, the Minister of Mines and Technical Surveys, a nice chap, a wonderful chap, an extremely charming and courteous fellow, sitting here in silence and making his statements only outside the house.

When the time comes to speak in the house he stands there, candidly grinning at us and then he merely deputizes the inevitable member for Joliette-L'Assomption-Montcalm who dips both his feet into the river.

Mr. Pigeon: Twenty two years of silence, only to talk nonsense in the opposition.

Mr. Denis: It did not take you that long.

Mr. Dupuis: Well, Mr. Speaker, I would like to repeat this: the Minister of Transport told us that the Richelieu waterway would not be economically feasible. I asked him here a few days ago what he based his statement on. He replied that it was based on reports from his department's economists and engineers. I put on the order paper a motion for return, asking him to table the reports on which he based his statement that the waterway would not be economically feasible. The Minister of Transport replied that he would like me to withdraw the motion as he could not give an answer, because, as he said, the matter came under several departments.

Well, I would say tonight that it is time that the minister take his responsibilities and say here or elsewhere why he does not wish to encourage the study of the Richelieu waterway.

Many distinguished engineers, commissions of enquiry, renowned persons in the United States, all have admitted that the project was sound. They based their—

Mr. Fisher: Don't kill the motion.

(Text):

If hon. members did not take our places when we are talking about Quebec matters, and if they did not waste our time I would have sufficient time to conclude my remarks in order to take a vote.

(Translation):

Mr. Speaker, the American engineers and the governor of Vermont are in favour of the Richelieu waterway.

The United States government is voting important sums of money to have army engineers undertake studies in that connection and, meanwhile, on this side of the border, our government is doing absolutely nothing in this field.

Following the statements made by my friends from Richelieu-Vercheres and Laurier, I repeat that the Richelieu waterway would shorten the distance between Montreal and New York from 1,800 miles to 400 miles.

The Richelieu waterway would also attract all transport vessels of low tonnage, and thus would clear the St. Lawrence seaway.

Manufacturers and industrialists would find it less costly to transport their merchandises through the Richelieu waterway, precisely on account of the greatly reduced distance.

Mr. Speaker, in our area of St. Jean-Iberville-Napierville, of Brome-Missisquoi—and I am wondering where is the hon. member for Brome-Missisquoi—possibly the Richelieu waterway project is not a matter of interest to him—in our area of Chambly-Rouville, Richelieu-Vercheres, Longueuil, Chateauguay-Laprairie, all people have their eyes set on this House of Commons. Tomorrow, they will read the papers and say: What did Mr. Balcer have to say? Nothing. What did the member for Chambly-Rouville say? Nothing. What did the member for Longueuil say? Nothing. What did the member for Brome-Missisquoi say? Nothing. What did the member for Chateauguay-Huntingdon-Laprairie say? Nothing. Who represented Conservative aspirations in the House of Commons? The inevitable member for Joliette-L'Assomption-Montcalm (Mr. Pigeon).

Well, Mr. Speaker, the people of the province of Quebec will be in a position to see the difference between a Liberal team and a Conservative one.

Mr. Pigeon: What did the hon. member for Laurier do when he was minister of transport?

Mr. Dupuis: Mr. Speaker, would you please call the member for Joliette-L'Assomption-Montcalm to order?

And now, Mr. Speaker, here is what Mr. Bennett said, on June 24, 1930, as recorded in the London *Free Press* of the same date:

If we come to power, we will undertake and complete the St. Lawrence seaway.

He came to power and he did nothing. The present Prime Minister (Mr. Diefenbaker) came into our area. He told us: I came here to admire the fine scenery of the Richelieu. He went into lower Quebec and did nothing

Mr. Speaker, there are three minutes left before the house adjourns. If our friends are sincere, I shall resume my seat and ask them to vote in favour of the Richelieu waterway project.

Mr. Marcel Bourbonnais (Vaudreuil-Soulanges): Mr. Speaker, we heard the hon. member for Laurier (Mr. Chevrier) state that government members should stir up the people of the Richelieu area about the opportunity of developing a waterway. It seems to me, in view of his behaviour, that we have succeeded in stirring up the hon. member for Laurier.

If I had any advice to give to the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis), I would tell him that it is not by indulging in buffoonery or talking as he did tonight that we will bring the government to consider the opportunity of constructing the Richelieu cut-off.

The hon. member for Richelieu-Vercheres (Mr. Cardin) gave a rather complete account of the situation. However I believe that he is putting the cart before the horse when he suggests the establishment of a board of engineers to study the matter. I believe it would be more realistic to establish a commission made up of representatives of manufacturing organizations, labour unions, shipping interests, railways, as well as of industrialists and economists, to study the opportunity of developing such a project.

Mr. Speaker, I must say that I know much more about existing unused canals than about future ones. When it is a matter of coming to a decision on the construction of such an important waterway, requiring a very large investment, it should not be taken without due consideration. A study made on the spot by engineers would not show whether the project is economically feasible not only for the Quebec region but for the country as a whole.

Mr. Deputy Speaker: Order.

Mr. Dupuis: Another bill talked out by a Conservative member from Quebec.

Mr. Deputy Speaker: Order.

(Text):

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the house leader what the business will be for the rest of the week, if it is possible to give it?

Mr. Churchill: Mr. Speaker, the business for the week that I outlined last Thursday still holds, but I will recapitulate. For Tuesday, the first item will be item No. 9 on today's order paper, the resolution in the name of the Minister of Transport referring to the proposed railway line to Mattagami lake in the province of Quebec. The second item will be item No. 3 on today's order paper, the second reading of Bill No. S-3, to repeal certain laws relating to the signal station at Halifax. The third item will be item No. 5 on today's order paper, second reading of Bill No. C-61, to amend the Indian Act. If time permits we would take as the fourth item the setting up of the select committee on research and other related matters.

For Wednesday, I see no change in the program as announced.

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

Questions

ANSWERS TO QUESTIONS

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

INDENTURED APPRENTICES—UNEMPLOYMENT INSURANCE BENEFITS

Question No. 97—**Mr. Martin (Essex East):**

1. Are indentured apprentices included in schedule M of the federal Vocational Training Act?
2. If not, has the government taken any steps to make indentured apprentices eligible to collect unemployment insurance benefits during their necessary training period in technical institutes?
3. Have representations been received from any group requesting that indentured apprentices be permitted to draw unemployment insurance benefits during their training period in technical institutes?
4. If so, from whom have such representations been received, and what reply was made?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. No. The training for indentured apprentices is provided under a special federal-provincial apprenticeship training agreement.

2. Yes. If an apprentice is unemployed and eligible for U.I.C. benefits before entering his regular training period in a training centre he may continue to draw these benefits.

3. Yes.

4. The minister of labour for Saskatchewan, Hon. C. C. Williams. In reply he was informed that this matter was under consideration, and as soon as a final decision was reached by the unemployment insurance commission, he would be advised.

GAETAN LALUMIERE

Question No. 98—**Mr. Denis:**

1. Is one Gaetan Lalumiere employed by the government at Laprairie, county of Chateauguay-Huntingdon-Laprairie, province of Quebec, in the unemployment insurance commission local office?
2. If so, what is his salary?
3. Are premises placed at Mr. Lalumiere's disposal by the government for the discharge of his duties?
4. If so: (a) what is the rental cost of such premises? (b) what is the name of the owner?

Answer by: **Hon. Michael Starr (Minister of Labour):**

1. Mr. Gaetan Lalumiere is not an employee of our local office but an agent of the commission at Laprairie.

2. $1 per application of benefit claimants.

3. No.

4. Not applicable.

HOUSE OF COMMONS

Tuesday, February 14, 1961

The house met at 2.30 p.m.

DEFENCE PRODUCTION

BOBCAT VEHICLE—ANNOUNCEMENT OF ORDER FOR PILOT MODELS

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, hon. members will recall that a light armoured tracked carrier, known as the Bobcat, has been under development for the Canadian army for some time.

The Bobcat vehicle is designed in three basic forms; as an armoured personnel carrier, a cargo carrier and a self-propelled mount for the 105 millimetre howitzer, all built on a common chassis. These three basic types are further adaptable to meet many needs of the army such as weapons carriers, communications vehicles, ambulances, and for other operational and supply purposes.

In the past, mobility was provided by foot, wheels and tracks. The various components of the army moved separately but fought together. Now, because of the requirement to fight in widely dispersed small battle teams, this is no longer acceptable or practical, and battle teams must move, fight and live together. Therefore the basic philosophy behind the development of a family of vehicles with similar characteristics is to provide all parts of the team with an equal capability of movement.

The main features of these vehicles permit battle groups to move cross-country at 25 miles per hour, cross water obstacles without delay, and be protected from such battle hazards as small arms fire and shell fragments. In addition, a measure of protection is provided from effects of nuclear weapons.

Development having been successfully completed, it has now been decided to go into production of this vehicle. An initial order for 20 pilot models has been given to the original development contractor, the Canadian Car Company. The cost of the pilot models, plus production tooling, is estimated to be $3½ million. It is expected that the pilot models and production tooling will be completed in about two years. At that time open tenders will be called for the production of a further 480 vehicles.

[*Later:*]

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Defence Production a question arising out of the statement of the Minister of National Defence with regard to the production of 20 pilot models of the Bobcat. Can the Minister of Defence Production indicate whether the development work will go to the Canadian Car Company in Fort William, inasmuch as it was indicated several years ago that this was a possibility?

Hon. Raymond O'Hurley (Minister of Defence Production): The indication that was given several years ago was as to possible production. Construction of the 20 pilot models will be confined to the Canadian Car Company in Montreal.

GRAIN

WHEAT—ANNOUNCEMENT OF INTERIM PAYMENT ON 1959-60 POOL

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, I have a statement to make to the house regarding the 1959-60 wheat pool. This account is in a surplus position and the government, on the recommendation of the Canadian wheat board, is authorizing an interim payment of 10 cents per bushel on all grades of wheat delivered to the pool between August 1, 1959, and July 31, 1960. I might add that producers delivered 377,438,000 bushels to the pool. The interim payment of 10 cents per bushel will therefore result in the distribution of approximately $37,744,000 to producers.

Yesterday I announced that the 1959-60 oat pool had been closed and a final payment would be made of $3,852,323. The interim wheat payment and the final oat payment will result in the distribution of approximately $41,600,000 to producers in the very near future. The oat payment is being made now, and cheques will be issued immediately for the interim wheat payment. Of the total wheat payment $23,678,000 will go to producers in Saskatchewan, $9,213,000 to Alberta and British Columbia, and $4,894,000 to Manitoba and Ontario.

The 1959-60 barley pool will be closed sooner than expected because of recent sales. Consequently the Canadian wheat board will report to the government on the conclusion of the interim wheat payment in regard to a possible closing date for the 1959-60 barley account.

I might add that I would have had copies of this announcement available for the press gallery but there has been a little smoke and confusion in the Confederation building this morning.

Inquiries of the Ministry

Mr. W. M. Benidickson (Kenora-Rainy River): As I recall similar statements made last year and the year before, the actual gross amount of the payments will be practically the same. Nevertheless they will be welcome, at this time of year, to the western Canadian economy. I believe the per bushel rate of 10 cents is identical with what is customary at this time of the year, and I think the time of the payment does not vary much from past practice.

Mr. Hazen Argue (Assiniboia): The announcement today will come as no surprise. In recent years it has become rather a routine thing to make an interim payment of this size at about this time of year in respect to the previous year.

It is my opinion that the new Minister of Agriculture might try to make such payments at an earlier date. It is also my opinion that the minister should make greater haste in concluding the crop year in question, and make the final payment available in the very near future.

I can only say that the size of this payment and the likely size of the final payment emphasize again that at a time when agricultural costs continue to rise, the price of wheat remains almost identical with that in previous years, and the farmers' request for deficiency payments is to that extent strengthened.

UNITED NATIONS

EXPRESSIONS OF SUPPORT FOR SECRETARY GENERAL

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to direct a question either to the Prime Minister or to the Secretary of State for External Affairs; I am not sure who would like to deal with it. It is whether the government would reject the vicious attack made, according to reports, on the Secretary General of the United Nations by Moscow this morning, and repudiate this effort to destroy his position and give an assurance of the strong support of this parliament for the work of this dedicated international servant.

Hon. Howard C. Green (Secretary of State for External Affairs): About noon today there were disturbing press reports, attributed to the Tass agency and as yet unconfirmed officially, that the Soviet union had withdrawn its recognition of Mr. Hammarskjold as United Nations secretary general and called for his dismissal. In addition, the Soviet statement demanded an end to the United Nations operation in the Congo within a month and the withdrawal of all foreign troops. It condemned Belgium and called for the disarming and removal of all Belgian troops stationed in the Congo and for the arrest and trial of Mr. Tshombe and Colonel Mobutu.

The measures demanded are linked to the death of Mr. Lumumba and his two companions. The secretary general has been described as "an accessory to and organizer of" that act of violence. This Soviet statement appears to be a culmination of the bitter but unfounded attack launched by the Soviet union against the secretary general late last summer and all during the autumn session of the general assembly.

Under the charter the Secretary General of the United Nations is appointed by the general assembly upon the recommendation of the security council. Mr. Hammarskjold's reappointment in 1957 for a further five-year term had the support of all five permanent members of the security council, whose recommendation was approved by the general assembly.

Any unilateral action by the Soviet government can have no legal effect on the position of Mr. Hammarskjold, but it is of course deplorable that at a time of grave crisis for the United Nations one of the permanent members of the security council should choose to withdraw its support and recognition from the chief administrative officer of the organization. This can only add greatly to the difficulties facing the United Nations in the Congo.

This is not the first time that the Soviet union has acted in this way. Mr. Hammarskjold's predecessor suffered much the same treatment, mainly because of the part which he necessarily played in relation to the United Nations action in Korea. Happily the United Nations survived that Soviet assault on its integrity, and the world's best hope lies in its survival of the present crisis.

For its part the Canadian government will continue its firm support for the United Nations effort in the Congo and for Mr. Hammarskjold, who in the face of the greatest difficulty has served the high principles and purposes of the charter with courage, determination and endless patience. His devotion to duty merits strong and full support from all member states who have the best interests of the United Nations at heart.

Mr. Pearson: Mr. Speaker, may I thank the minister for the statement he has just made and ask if he does not agree that a major—though not, of course, the only—difficulty facing the United Nations intervention in the Congo has been the policy of the U.S.S.R. itself?

Mr. Green: Mr. Speaker, throughout there have been attempts made time after time to prevent the effective conduct of the United Nations operation in the Congo. The Leader of the Opposition is quite right when he draws attention to what has been done practically from the beginning of that United Nations operation.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a supplementary question to the minister arising out of the informative statement he has made in support of the Secretary General of the United Nations and of the United Nations organization itself. If I may be out of order for one sentence, I should like to say to the minister that I am certain that in the government's support of Dag Hammarskjold in carrying out the policy of the United Nations the government has the support of all Canadians.

As a supplementary question I should like to ask the minister if he could inform the house whether or not Canada has arrived at an opinion as to the advisability of setting up a Congo trusteeship under the United Nations in order to bring peace to this land.

Mr. Green: Mr. Speaker, there have been suggestions made that a course of that kind should be followed, but it is too soon yet to say what actual plan will be adopted. We are consulting various other governments about the situation and are also letting the Soviet government know our views concerning the action they have taken today.

Mr. Argue: Canada has not an opinion formulated at this moment as to the need of strengthening the United Nations in the Congo through support of a trusteeship?

Mr. Green: No, Mr. Speaker, we have not decided as yet whether a course of that kind should be followed.

CONGO—REQUEST THAT SPECIAL ALLOWANCES FOR SERVICE PERSONNEL BE RETROACTIVE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, will the Minister of National Defence assure the house that the special allowances introduced for Canadian service personnel in the Congo will be made retroactive to the time of arrival of such personnel in that country?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the announcement was made some time ago that these allowances would be effective as from December 1 last. I think that is quite definite.

Mr. Pearson: A supplementary question, Mr. Speaker. Does that mean that personnel who arrived, say in October, would not receive their supplementary allowances until December?

Mr. Harkness: Mr. Speaker, practically all the force that went out to the Congo has served there for six months, or will have served there for six months or more. Therefore, except for a relatively small number of people who returned in the early stages after being there for only a short time, they will all qualify for these allowances.

Mr. Hazen Argue (Assiniboia): A supplementary question, Mr. Speaker. Can the minister say whether he has received a request from Colonel Smith, officer commanding the Canadian signal unit in Leopoldville, for reconsideration of the December 1 date.

Mr. Harkness: Mr. Speaker, I have not received any request along that line, though I did see a newspaper account to the effect that such a request would be made.

AIRPORTS

VANCOUVER—SUBSIDY FORMULA RESPECTING TERMINAL BUILDING

On the orders of the day:

Mr. John Drysdale (Burnaby-Richmond): Mr. Speaker, I should like to direct a question to the Minister of Transport. At the present time the council of the city of Vancouver is considering the alternatives of either financing the $15 million terminal building required at the Vancouver international airport itself, or submitting another referendum to the Vancouver city voters on the question of selling the city-owned portion of the airport to the federal government so the federal government could construct the airport terminal.

Can the Minister of Transport indicate the subsidy formula of the federal government if the city undertakes to finance the construction of the terminal building itself?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, at municipally operated airports served by scheduled service, the municipality may ask for a grant to assist in the construction of a municipal terminal building. We require to be satisfied that the plan for the building is reasonable in relation to traffic requirements. Subject to this, any grant would cover the cost of providing the space in the building required for federal government staff—for example, customs, immigration and health staff—as well as working space for the Department of Transport employees who may be required to carry on

functions in the building, primarily meteorological offices, air traffic control offices, and telecommunications offices.

This is not the policy which was in effect originally when discusions were first initiated by the city of Vancouver about sale of the airport some eight or nine years ago, but it is the policy we have now been following for several years.

In the case of Vancouver, my department already has its own building on the airport which we are in the process of extending, and which provides office space for virtually all Department of Transport personnel. The principal space for which a grant might be given under the foregoing formula, therefore, in the case of a new terminal building at Vancouver would in all probability be space required for inspection services.

(Translation):

RAILWAY SERVICE BETWEEN DORVAL AIR TERMINAL AND MONTREAL

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I should like to ask the Minister of Transport a question.

Could the minister tell the house whether he has read a report published in the week end newspaper *Dimanche-Matin* of February 12 that the C.N.R. and the C.P.R. might operate a passenger train on their tracks between the airport and downtown Montreal, to provide a very much faster service than by car or by bus.

If so, would the minister state his opinion to the house on that suggestion?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I might say that off-hand the hon. member's suggestion certainly seems to have much merit, and I want to tell him that I will be pleased to pass it on to the C.N.R. and C.P.R. managements.

(Text):

DORVAL—ORDER IN COUNCIL RESPECTING HANDLING OF LUGGAGE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Minister of Transport. Some time ago I asked him about the petition of the professional Sky-Caps at Dorval airport—

An hon. Member: Why don't you ask it in French?

Mr. Chevrier: —and if it had received—

Mr. Speaker: Order. The hon. member for Laurier has the floor and I would hope hon. members, particularly those who are sitting behind him, will not make it impossible for him to exercise his right as a member to speak.

Mr. Chevrier: I desire to interrupt the question I was asking, to raise a question of privilege. You have interrupted the hon. member, Mr. Speaker, because this is not the first time that he has not only interrupted those of us who ask questions here but has addressed improper remarks to those who sit on the front benches.

The remark he used a moment ago was to the effect why do I do not ask the question in French? I should like to say it is my privilege to speak in either of the official languages, and I am not to be threatened or told which of the two languages I should use.

Some hon. Members: Oh, oh.

Mr. Speaker: Would the house please give a hearing to the hon. member, who is raising a point of some consequence?

Mr. Chevrier: I use the word "threatened" knowing its full meaning, because the threats have come from the rear of us on repeated occasions. I do not intend to go into them, but I can if I am asked. I have a list of all the interruptions. Unfortunately it has not been possible for Your Honour to hear them because they are made in such a low tone that only those of us who sit here can understand them. I hope Your Honour will put an end to this foolishness.

Mr. Speaker: Before the hon. member proceeds, may I say that I heard an interruption but I did not identify the member who made it, nor has the hon. member for Laurier done so; but in view of what he has said I think it is proper to indicate to the house that it is entirely contrary to the rules for members to interrupt from their seats. If members have an interruption which they feel they could properly make, they should rise; and it is particularly important in view of the arrangement of the seats in the house that hon. members in the section referred to should observe the proprieties when a member is speaking from the front bench.

Mr. Ricard: On this point, I should like to draw Your Honour's attention to the fact that time and time again the hon. member for Gloucester speaks from his seat, interjecting remarks that are sometimes very bad.

Mr. Speaker: I know the hon. member for St. Hyacinthe will agree with me that such rules as there are apply equally to all hon. members. I hope it will not be necessary for me to draw attention again in the house to

what, in the view of the hon. member for Laurier and from my own observations, has caused some degree of difficulty in conducting debate in the way it should be conducted.

Mr. Chevrier: The question I desire to ask the Minister of Transport is whether he has had an opportunity to consider the petition which was placed before him by a delegation of professional Sky-Caps at Dorval airport; what the reaction to that petition has been, and whether the order in council which was drawn up by his department has been considered with a view to determining if it infringes the bill of rights as well as property and civil rights in the province of Quebec?

(Translation):

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have examined with great interest the brief handed to me by the people concerned, and I have submitted it to my legal department. However, we shall continue the talks with members of this association, as well as with their former employers; I hope to be in a position to report to the house on this matter in a near future.

Mr. Maurice Johnson (Chambly-Rouville): I should like to put a supplementary question. Could the Minister of Transport send a translation of this question to the member for Laurier (Mr. Chevrier)?

(Text):

Mr. Speaker: Order.

Mr. Hazen Argue (Assiniboia): I wonder if I might ask the Minister of Transport a supplementary question. Can the minister say whether in addition to referring this case to his own legal officials he is referring it to the Department of Justice to see whether it is in keeping with the provisions of the bill of rights?

Mr. Balcer: No, Mr. Speaker.

Mr. Argue: Will the minister consider doing such a thing and referring it to the Department of Justice?

Mr. Balcer: This is under examination. If we see the need we shall not hesitate to do so.

Mr. Argue: Perhaps I might address a question to the Prime Minister, then. Is it not in keeping with the bill of rights that an order in council which takes legislative—

Mr. Speaker: Order. The hon. member for Assiniboia knows that an opinion, particularly a legal opinion as to the interpretation of the bill of rights, is not an appropriate subject for a question and cannot properly be sought on the orders of the day.

Mr. Argue: I might, then, put the question in another way having to do with government practice. Is it the practice of the government at any time to refer orders in council to the Department of Justice so that it may be determined whether they are in keeping with the spirit of the bill of rights?

Right Hon. J. G. Diefenbaker (Prime Minister): It is not. The Department of Justice, through the Minister of Justice, examines all orders in council that are passed. If in the opinion of the minister or of his department they contradict or invade the terms of the bill of rights, a report is made to the house accordingly.

Mr. Argue: Then I should like to put a further supplementary question to the Minister of Transport. On what grounds has he referred the order in council to the legal officers of his department if it has already been approved by the Minister of Justice?

Mr. Speaker: Order. The hon. member seems to me to be undertaking to cross-examine the minister. I thought the initial question asked by the hon. member was not in order because, as I said, it involved a legal interpretation.

TRADE

EUROPEAN TRADING GROUPS—STEPS TO PROTECT CANADA'S POSITION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Trade and Commerce. In view of the meeting being held by the United Kingdom and the members of the outer Seven with the members of the common market countries to discuss closer co-operation, if not union, between these two regional blocs, what steps has Canada taken to protect its trade position with these two groups?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, our representatives in Europe have for some time been studying these matters closely and keeping us informed on developments. I can assure the hon. member that the government is watching the development very closely.

Hon. L. B. Pearson (Leader of the Opposition): A supplementary question. Is the minister aware that in the communique issued by the common market after its meeting the other day there appeared the following words:

> The six governments are desirous of seeking, in the spirit of good will and friendship, all agreements susceptible of maintaining and developing exchanges with other European countries, in particular with Great Britain, as well as with the other countries of the world.

Does the government intend to take up this offer?

Mr. Hees: We have not waited until this time to take up this offer. Our representatives in Europe, particularly at Geneva, have been making it known to the countries of the Six and the Seven all along and for many months that we are very anxious to maintain our present trading relationship, and to increase trade with the members of the Six and the Seven.

SUGGESTED ESTABLISHMENT OF A NORTH AMERICAN COMMON MARKET

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, has the Minister of Trade and Commerce any comment to make on the proposal made yesterday in Toronto by the former secretary of defence of the United States for the establishment of a North American common market?

Hon. George H. Hees (Minister of Trade and Commerce): No, I have not, Mr. Speaker. Obviously Mr. McElroy was speaking in his capacity as a private citizen. As always, the members of this government and myself are interested in speeches and statements made by distinguished gentlemen like Mr. McElroy. I do not wish to make any comment.

JAPAN—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce. Could the minister inform the house whether the Japanese Canadian trade negotiations are still in progress, and could he report to the house whether any agreement or understanding has been reached?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, these negotiations come more directly under the jurisdiction of my colleague the Minister of Finance. Perhaps the hon. member for Assiniboia would direct his question to the Minister of Finance when he returns to the house. I am sure he will be back tomorrow.

COAL

RAND REPORT—STUDY BY INTERDEPARTMENTAL COMMITTEE

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys. Can the minister advise the house whether the interdepartmental committee set up to advise the government on the Rand report has completed its study? If so, if the minister in a position to report to the house on the recommendations made by the said committee?

Hon. Paul Comtois (Minister of Mines and Technical Surveys): I was advised this morning by one of the officials of my department, Dr. W. E. van Steenburgh, who is on that committee, that they are progressing with their study and he expects that the recommendations to the cabinet will be made within a few weeks.

Mr. Robichaud: In view of the urgency of the situation, can the minister ask this committee to rush its report? A few weeks will still delay the action of the government.

Mr. Comtois: I have made this request of the committee much more often than the hon. member for Gloucester has asked the question in this house.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I have a supplementary question arising out of this one which I would like to direct to the Prime Minister. In view of the recent announcement made by the Prime Minister, or someone on behalf of the government, that assistance will be given to keep certain collieries open in Cape Breton until May 31, may I ask whether a decision has been reached by the government not to accept the recommendation of Mr. Justice Rand that any mine closures should be spread out over a period of five to 10 years?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I do not think that is a proper question on this occasion before the orders of the day. I will simply say that when we are in a position to announce a policy based on the Rand report or otherwise it will be announced.

(Translation):

NATIONAL DEFENCE

INQUIRY AS TO THE GOVERNMENT'S ATTITUDE TOWARDS VOTERS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to put a question to the Associate Minister of National Defence. *La Presse* was the first paper to announce yesterday that the Associate Minister of National Defence is supposed to preside at a card game tonight in the Maisonneuve-Rosemont riding.

Can the minister tell us whether the government has decided to provide the voters with games for lack of bread?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in reply to the hon. member for Maisonneuve-Rosemont, I must say that I am unable to attend the card game over which I have been asked to preside in his constituency. It would have given me great pleasure to meet many of his voters.

In reply to the second part of his question, it is a fact that the party of which I am a member seeks whenever possible to look after the welfare of the people. We also try, when the opportunity arises, to spread around us happiness, pleasure and hope.

Such a position obviously stands out against the policy of sadness and despair professed by our opponents.

[*Later:*]

DISPENSATION OF FAVOURS TO ELECTION ORGANIZERS

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence.

Has he read in yesterday's *La Presse* the account of a meeting where the minister is reported to have said that, in order to win an election, one has to dispense favours and that he himself, in his own organization, has 32 vice prisidents.

Could he—

Some hon. Members: Order.

Mr. Fortin: You are being utterly ridiculous.

(Text):

Mr. Speaker: Order. I am not just sure at what stage the hon. member's comments would be relevant, but certainly not at this stage.

(Translation):

[*Later:*]

PROFICIENCY OF ORGANIZERS

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, with your permission, I should like to raise a question of privilege. It has to do with a question asked a moment ago by my good friend, the member for St. Denis. The hon. member asked me to comment on a report which appeared, he said, in *La Presse* of yesterday and which dealt with a speech I delivered in Montreal Sunday afternoon.

In the first place, I was not aware that reporters from *La Presse* were attending. In the second place, I feel I must state that, as far as my organizers are concerned, I said I could count on at least 32 vice-presidents, members of my organization being so able.

And now, Mr. Speaker, as regards my own ability and that of my fellow organizers—

(Text):

Some hon. Members: Order.

Mr. Speaker: Order. The minister is taking some time to arrive at a question of privilege which merits presentation in the house. If there is some reflection on his conduct which in his view amounts to a question of privilege, perhaps he will state it.

(Translation):

Mr. Sevigny: Mr. Speaker, the question of personal privilege I raised is simply this. I wish to dispel the false impression that may have been created among the public and the members of the House of Commons by an item which was published in yesterday's issue of *La Presse* and which was not an accurate report of what was actually said.

My second question of personal privilege has to do with the apparent attempt by the member for St. Denis to cast doubts on my ability or that of my colleagues from an electoral point of view. I feel that he will find his answer merely by recalling what happened on March 31, 1958.

Mr. Azellus Denis (St. Denis): Mr. Speaker, I think I am entitled to explain that the statement I quoted was in quotation marks—

(Text):

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member will please be seated. I see no question of privilege which warrants the taking of the time of the house, and I take it the matter requires no further comment.

[*Later:*]

(Translation):

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I should like to ask the Associate Minister of National Defence whether he is now a member of the "Misquoted Club"?

(Text):

Mr. Speaker: Orders of the day is not the time for questions of that kind to be introduced.

CANADIAN NATIONAL RAILWAYS

SCARBOROUGH-MARKHAM—CONTINUATION OF COMMUTER SERVICE

On the orders of the day:

Mr. Frank McGee (York-Scarborough): I should like to direct a question to the Minister of Transport. Has he any comment to make concerning the application of Canadian

National Railways to the board of transport commissioners to discontinue commuter service in the Scarborough and Markham sections of the Toronto to Belleville train service?

Hon. Leon Balcer (Minister of Transport): I am very pleased to advise the hon. member that following his repeated representations, the management of Canadian National Railways has decided to leave undisturbed for the time being the commuter service on this section of the Toronto-Peterborough-Belleville run.

PUBLIC WORKS

VANCOUVER—EXTENSION OF STANLEY PARK SEAWALL

On the orders of the day:

Mr. E. J. Broome (Vancouver South): I should like to direct a question to the Minister of Public Works. Has the minister received a letter from the Vancouver board of parks and public recreation with regard to the elimination from this year's estimates of provision for the further extension of the Stanley park seawall? If so, can the minister advise whether any action in this regard is contemplated?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I could not hear the question clearly and I will accept it as notice.

LABOUR CONDITIONS

RAILWAY DISPUTES—SUGGESTED REVISION OF LABOUR LAWS

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Labour. My question is based upon a news item in this morning's *Globe and Mail* to the effect that in its presentation to the MacPherson royal commission on transportation the C.N.R. has indicated that there is an urgent need to revise our labour laws in order to give better effect to the resolution of labour disputes in the railway industry. I wonder whether the minister is able to comment.

Hon. Michael Starr (Minister of Labour): Mr. Speaker it all depends on what way they want the labour law revised.

Mr. Howard: I have a supplementary question.

Mr. Speaker: Order. I allowed the hon. member to finish his question. It seems to me that he was asking on a matter of general policy a question which he could hardly expect to have answered on the orders of the day.

[Mr. McGee.]

HOUSING

SASKATOON—REPORTED POSTPONEMENT OF LOW RENTAL PROJECT

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wish to direct a question to the Minister of Public Works. Is he in a position to confirm or deny the news item that appeared in today's *Globe and Mail* to the effect that a postponement in construction of a 100-unit low rental housing project has resulted from a change in federal government policy?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I have not received notice of this question but I have knowledge of the subject matter, I believe. Is this the matter in Saskatoon?

Mr. Garland: Yes.

Mr. Walker: Yes. There the limited dividend project was found to be larger than the needs of the community required at the present time, so it was cut down to 50 units, as a result of which the person who applied for the 100 did not wish to proceed with them. There has been no change in government policy since we made our announcement to the house on government policy with the ensuing legislation last November.

While I am on my feet may I answer a question asked by the hon. member for Nipissing last week as to why we did not go along with the United States program. In reply may I say this. We had the largest January in history in loans, whereas in the United States in the last month for which we have any figures, namely the month of December, their loans were down 50 per cent.

Mr. Garland: Now that several items have been introduced, Mr. Speaker, perhaps we can deal with them. However, I should like to come back to my question, which was based on an item in today's paper to the effect that this project had been cut as a result of government policy, and it refers to an increase in the equity—

Some hon. Members: Question.

Mr. Garland: —required from the contractor. I should be glad if the minister would comment on that particular item.

Mr. Walker: Yes. There has been no change in government policy. There was a winter work program in connection with limited dividend loans by which 10 per cent of the equity was required. This policy came to an end in January and we revert to the regular equity of 15 per cent. Does that answer the hon. member's question?

Mr. Garland: Yes. Is any consideration being given to maintaining that figure at 10 per cent?

Mr. Walker: Mr. Speaker, we consider at all times, all things and all possible matters incidental to housing, as my hon. friend must have appreciated by this time. However, we certainly have no intentions of again changing the program in connection with limited dividend projects.

POST OFFICE DEPARTMENT

REPORTED REFUSAL TO ACCEPT MACHINE PRINTED MONEY ORDERS

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I direct a question to the Postmaster General. Will he comment on a report in yesterday's Ottawa *Journal* to the effect that the money orders issued and printed by the department's electrical machines are being refused when presented to postmasters all over Canada?

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, if the hon. member had read the article carefully he would have noticed the final observation, which was to the effect that this was just an indication that the department is moving so quickly in its mechanization and development that in some cases, particularly in the United States, they are not aware of how fast we are going and have not caught up with us.

Mr. Denis: A trip to the moon.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether I could ask the Postmaster General a supplementary question. Can the Postmaster General say how soon he expects to have no employees at all in the department?

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO CHIROPRACTIC REPRESENTATION

On the orders of the day:

Mr. M. W. Martin (Timmins): I wish to direct a question to the Prime Minister. Can the Prime Minister inform the house whether the chiropractic profession will be represented on the royal commission studying health insurance, and also whether consideration is being given to the inclusion of chiropractic services in any national health program?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in so far as the first portion of the question is concerned, may I say that a number of professions have suggested the inclusion of their members in the personnel of the commission. I refer to the medical, dental, and nursing professions, chiropractors and the like. If representation were to be secured from each and every one which has a contribution to make to the commission, it would be a rather large commission. The omission of any one of the professions from the personnel of the commission will in no way constitute any suggestion that the profession in question is not making a good contribution.

As to the second portion of the question may I say this. When the commission has made its report the question of the problem of health insurance will have to be considered by the government in the light of the recommendations made.

POWER

COLUMBIA RIVER—CONSIDERATION BY PARLIAMENT REGARDLESS OF B.C. AGREEMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the government proposes to submit to parliament, and particularly to the committee on external affairs, for consideration during this session the Columbia river development treaty, regardless of the fact that an agreement may or may not have been reached with the British Columbia government on this matter?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think the leader of the opposition will realize that it is too early as yet to say, in view of the course of events in British Columbia, whether the agreement in question should be submitted to the committee.

Mr. H. W. Herridge (Kootenay West): In view of the question asked by the leader of the official opposition, Mr. Speaker, I should like to ask a supplementary question of the Prime Minister which I had intended to ask of the Minister of Justice.

In view of the fact that the Minister of Justice in a recent series of public orations has stated that the Columbia development will produce, not only initially but over many years to come, a greater quantity of power at lower cost than is available from any other presently known source in British Columbia; and in view of the fact that Hon. Ray Williston, minister of lands and forests, recently stated in the legislature of British Columbia that cheap power will not be available from the Columbia for 20 years, would the Prime Minister inform the house which of the hon. gentlemen is telling the truth?

Mr. Speaker: Order. I have followed the hon. member's argument with interest. It seems to me that he is anticipating the debate

which will occur in respect to Columbia river matters in asking for an explanation at this time.

SHIPPING

REPORTED "LOSS" OF ICEBREAKERS IN GULF OF ST. LAWRENCE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Can the Minister of Transport say whether the federal government has lost four icebreakers in the gulf of St. Lawrence?

Mr. Speaker: Order. I recognize the Minister of Agriculture.

Mr. Pickersgill: Has the minister no answer to the question?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I hardly think this is a question that is worthy of an answer.

Mr. Pickersgill: Has the minister's attention been drawn to an advertisement which appears in the Cape Breton *Post* of February 9 headed "Lost, four federal government icebreakers", according to which some responsible citizens of that community are advertising for these icebreakers? If not, I shall be glad to send it to the minister.

AGRICULTURE

SNAILS—STATEMENT ON PROMOTION OF HELICULTURE

On the orders of the day:

Hon. Alvin Hamilton (Minister of Agriculture): Mr. Speaker, now that the joke period is over I will get down to very serious business. The hon. member for Kootenay West asked yesterday whether the government is giving any consideration to the promotion of heliculture in this country.

I looked at the dictionary and found that this meant snails. I also found that the hon. member asked a question of similar import last year which can be found on page 2352 of *Hansard* for March 23, 1960. I would like to inform the hon. member that there has been no reason to change the answer of that date as of now.

USE OF WHEY MILK POWDER IN MAKING BREAD

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Can the minister inform the house whether an order in council has been passed to the effect that four pounds of dried whey milk powder can be used as a substitute for two pounds of skimmed milk powder in the bread industry?

[Mr. Speaker.]

Mr. Speaker: Order. As I understand the hon. member he is asking about the contents of an order in council which presumably will be proclaimed in the *Canada Gazette* and available to all hon. members in the same way.

Hon. J. W. Pickersgill (Bonavista-Twillingate): On a point of order, Mr. Speaker, it is not an obligation on the government to publish all orders in council, but only certain orders in council as prescribed under the Regulations Act. I would not know whether the one the hon. gentleman is inquiring about would fall into that category, but it would seem to me to be a proper question.

Some hon. Members: Order paper.

Mr. Speaker: The question is also asking for detailed information on a matter which does not appear to me to have the urgency which would necesitate being asked on orders of the day. However, if the minister is in a position to answer I have no objection.

Hon. Alvin Hamilton (Minister of Agriculture): I will take this as notice, Mr. Speaker.

FISHERIES

LAKE SUPERIOR—STATEMENT ON RESTRICTION OF TROUT FISHING

On the orders of the day:

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, yesterday the hon. member for Fort William asked me whether a proposal had been made to ban completely any trout fishing on lake Superior next year. The short answer is no. However, I would like to add that the great lakes fisheries commission is considering the recommendation of quotas to protect the remaining trout stock, but no firm proposals have yet been made. In any case these proposals would have to be dealt with by the province of Ontario and the individual states of the United States which border on lake Superior.

PENSIONS

RECOMMENDATIONS OF ONTARIO COMMITTEE ON VESTING

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to ask the Minister of National Health and Welfare whether he has had an opportunity of seeing the report of the special select committee of the Ontario legislature on portable pensions; and if he has, could he indicate whether their recommendations on vesting have any implications for his department in its pension study?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I have not yet had an opportunity of reviewing the report.

(Translation):

QUESTION OF PRIVILEGE

MR. JOHNSON—REFERENCE TO HIS REPORTED ABSENCE FROM THE HOUSE

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I rise on a question of privilege.

Yesterday the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) referred to the alleged absence of some hon. members and, Mr. Speaker, on a question of privilege—

(Text):

Mr. Speaker: Order. Is the hon. member raising a question of privilege arising from something said yesterday in the house? In that case I must inform him that he is too late to refer to that matter.

CANADIAN NATIONAL RAILWAYS

QUEBEC—AUTHORITY FOR CONSTRUCTION OF BRANCH LINE

Hon. Leon Balcer (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide that the C.N.R. Railway Company may construct a line of railway from a point at or near mile 72 of the Kiask Falls subdivision to Mattagami lake, in the province of Quebec, and to authorize temporary loans to the company out of the consolidated revenue fund, not exceeding $9,660,000 to enable the work of construction and completion of the railway line to proceed forthwith; and to authorize the company to issue and the governor in council to guarantee securities to finance the expenditures upon the said line up to the said figure.

Motion agreed to and the house went into committee, Mr. Rea in the chair.

Mr. Chevrier: Is the minister going to make a statement?

Mr. Balcer: Mr. Chairman, my statement will be rather brief because I think the resolution is relatively self-explanatory. I will have more details to give on the bill when we reach second reading.

This resolution is to approve the introduction of a bill to authorize the Canadian National Railway Company to construct a railway line in the province of Quebec from a point located about 72 miles north of Barraute on the line of the Canadian National between Barraute and Chibougamau, in a northwesterly direction to a point in Galinee township, a distance of about 60 miles. The main function of this line would be to carry base metals from properties owned by Mattagami Lake Mines Limited near Mattagami lake. The line would eventually also serve a townsite of 3,000 to 5,000 people and would aid in the development of a potentially large mineral and pulpwood area. Its cost of construction is estimated at $140,000 per mile, or a total of $8,400,000.

Mattagami Lake Mines Limited plans to begin its mine production at the end of 1962 and will need rail service by that time. Since the construction of the line would take about two years to complete the committee will appreciate the importance of giving consideration to the legislation as soon as possible.

The bill which will follow the resolution will empower the Canadian National Railways to spend a sum not exceeding $9,660,000 on the construction of the line. This sum represents the estimated cost of construction which I mentioned earlier, plus 15 per cent for contingencies. The bill will also contain financial provisions similar to those adopted in the past for railway branch lines, and provide for the making of temporary loans by the government to enable the work to proceed forthwith and for the government's guarantee of the railway's securities issued in respect of construction.

When, in the course of the last session, my predecessor spoke in support of a resolution for the construction of the Toronto project by the Canadian National, he indicated that the government viewed with favour and proposed to give continued encouragement to capital projects that are submitted by the railway management and that can be recognized as self liquidating. The present project is of that category. The economic appraisal that has been made demonstrates that the railway revenue to be received from traffic engendered by the line will not only meet all expenses of operation and maintenance, the cost of handling such traffic on the remainder of the system, and amortization and interest on the cost of construction of the line, but will also produce a substantial annual surplus. The proposal is therefore one which will help in developing the resources of this country, and is also a sound one from a purely economic standpoint. I trust it will commend itself to all hon. members.

Perhaps the committee will permit me to add that when the bill that will follow the resolution has been given second reading I propose to move that it be referred to the standing committee on railways, canals and telegraph lines.

Mr. Chevrier: Mr. Chairman, the resolution now under discussion divides itself into

three parts. The first concerns the construction by the Canadian National Railway Company of a line from mile 72 in the vicinity of Kiask falls to Mattagami lake. The next is the expenditure involved, namely $9,660,000. The third part of the resolution has to do with authorization to the Canadian National Railways to guarantee certain securities.

Since this is the first piece of legislation which the new Minister of Transport has brought before us I should like to take this opportunity of congratulating him upon his appointment. I do so because I think the hon. gentleman is fortunate in having what in my opinion is perhaps the best portfolio in the service of the government. The hon. gentleman is also fortunate, I believe, in the quality of the officers he has in that department. All of them, from the deputy minister, Mr. Baldwin, right down to those who have less important tasks are loyal officers, and if the minister follows their advice I am sure he will not often go wrong.

I should next like to thank the hon. member for Villeneuve, who will make the main contribution from the opposition but who has allowed me to speak before him because of an engagement I have outside the committee.

This railway line is one which immediately commends itself to the opposition and for obvious reasons, such as I shall outline in a moment.

The railway is being built in one of the most promising areas of Canada. From the standpoint of mineral and other natural resources it is one of the finest areas in the province of Quebec. I refer to the Abitibi country. That region is one of the richest in natural resources in our province. Almost anything can be found in that area. There are good agricultural lands, minerals of all sorts including gold, copper, lead and zinc; there are tremendous reserves of forests, and above all there is hydroelectric energy in great potential.

It is the variety of these natural resources of all kinds which make this region interesting from the point of view of transportation and railway development. However, in order to assist in the development of the area an adequate system of transportation is necessary, because this area is not only far removed from the markets to which their products go but also because the rivers flow in a northerly direction whereas the products must move to the south. The development of this area goes back to the mid 1930's. It proceeded rapidly in the beginning, but that progress was temporarily interrupted during the war years which were responsible for a scarcity of materials.

In the post-war years private groups in the area established themselves because they were extremely interested in the development of the region. They were interested in its economic development and in the wealth that the natural resources such as minerals and forests could bring to their area.

At this point I think it would be well to pause for a moment to pay tribute to those private groups as well as their leaders for the tremendous interest they took in the economic development of their region. There is one who particularly stands out among them, Mr. Jean-Baptiste Lebel. I should like to pay tribute to him for the interest he has shown in this area and for the devotion which he and those associated with him gave to the development of this country.

The former Liberal administration had for many years foreseen the tremendous development which was about to take place in this region. Immediately following the war they began to make plans for a transportation system which have since been implemented in large part. The railway now under discussion before the committee is a branch line thereof.

The year 1946 saw the completion of the first railway line from Barraute to Kiask falls. A few years later it was clear that this line would not suffice and that additional transportation facilities would have to be constructed. Following the discovery of new mineral deposits it was necessary to extend the line, and in 1954 the government decided to add to the first line another line as far east as Cache lake and from there to Chibougamau and later to the lake St. John area at St. Felicien.

Upon construction of a railway from Chibougamau to St. Felicien, even at that time, it was quite clear that that line of railway, even though it was 300 miles long and even though it did help to develop a large portion of the natural resources, was not sufficient to give the area the railway system it required to take full advantage of its great potential assets. It was equally clear, sir, at that time that the line of railway from Senneterre to Chibougamau would sooner or later have to be extended by a branch line running in the direction of Mattagami lake.

However, at that time it would have been premature to have undertaken the construction of this branch line because the geological studies which were under way were not complete; neither were they conclusive. Furthermore—and I have no hesitation in making this statement— the former premier of the province of Quebec, the late Mr. Duplessis, was positively opposed to the establishment of a paper mill in that area which would have permitted the export of

forest products which are to be found in large quantities in the area of lake Mattagami. Under those conditions the construction of a branch line to Mattagami would not have been a profitable enterprise and, therefore, at that time would have been premature. Today, however, the situation in the province of Quebec is entirely different. It has changed materially to the point that the construction of this line is now a necessity.

We on this side of the house are happy to approve the resolution; we are happy to support it because, as I said earlier, it is a complement, it is an adjunct to the transportation system that was established during the years that we sat on the other side of the house. We are happy to support it not only because it is a good thing for the region but because it is the natural consequence of the railway line started by the former Liberal administration.

But, sir—and I say this without fear of contradiction—what we do object to, and object to strenuously, is that by the construction of this line the government is blowing its top and stating that it is inaugurating a great national policy as if nothing had been done in the way of railway development prior to the year 1957. My reason for making that statement is a speech made on television by the Prime Minister on January 18. In that speech he spoke of the great and extensive national development policy which was being inaugurated by this government to make Canada vigorous, vital and strong. When he came to the province of Quebec—he took each of the provinces in Canada one after the other to indicate what was being done by the government—here is what he had to say:

> Well, there 300 miles of railway have been built by private enterprise.

That statement is inaccurate. There have not been 300 miles of railway built by private enterprise since this government has been in office. The only railway in the province of Quebec built by private enterprise on the north shore is that known as the Quebec-Labrador railway. It is 360 miles in length, and it was opened to the public on July 31, 1954, three years before this government took office.

Mr. Balcer: What about the Port Cartier railway?

Mr. Chevrier: I will come to that. The question now being put to me is, what about the Quebec Cartier Railway? Well, the Quebec Cartier line linking Port Cartier to Gagnon was opened on December 30, 1960, and is 193 miles in length; it is not 300 miles, as the Prime Minister said on television to all the people of Canada. That statement, sir, was inaccurate and should be corrected in the house.

Furthermore, the Prime Minister went on to tell us about the new Mattagami branch project which was being inaugurated by the C.N.R. as if this was something extraordinary. Well, it is a line that we will support because it is a good thing for the area, but I suggest to those who sit on the other side of the house that in the first place they should not make inaccurate statements, and in the second place they should not get so excited about those tremendous developmental projects which were inaugurated long before they came into office.

This is another example of the way in which those who sit on the other side of the house proceed. Listen to this speech made by the Minister of Agriculture on television on February 19, 1960, when he was minister of northern affairs and national resources. Here is what he said, and this coming from a minister of the crown is really fantastic:

> Generally speaking, in the last 50 years, there has not been any new railroad building by government, with the exception of the railway to Churchill and the P.G.E. The provincial governments were busy building roads to meet the needs of the people who lived in their provinces. Therefore, the forward motion of our economic expansion had ceased, and the country was settling down to a consolidating in areas where people lived.

How a responsible minister of the crown could make a statement of that kind when he knew, or should have known, that the former government built at least 700 miles of railway during the few years they were in office.

Mr. Fortin: Twenty two.

Mr. Chevrier: I should like to put on record what they did. First there was the branch line from Barraute to Kiask falls and Beattyville, 55 miles in length, authorized by parliament in 1946.

The Deputy Chairman: Order. I was wondering whether we were not straying away from the resolution. The resolution refers to a railway from a certain point on the Kiask falls subdivision to Mattagami lake. I do not think it refers to other railways to other places.

Mr. Chevrier: I submit to you, sir, with deference that this line of railway is being built by the Canadian National Railways; and on a resolution which is being sponsored by the Minister of Transport on behalf of the Canadian National Railways I have the right to put on *Hansard* other railway lines which were built by the Canadian National Railways on behalf of the government, and that is what I am doing now.

I was saying, sir, that next there was the Sherridon to Lynn Lake branch line in Manitoba, 155 miles in length, authorized by parliament in 1951. Third, there was the line between Terrace and Kitimat, British Columbia, 40 miles in length, authorized by parliament in 1952. Fourth, there were two more lines authorized by parliament in 1954, namely the line between Hillsport and Manitouwadge lake in northern Ontario, 27 miles in length, and the line running from Beattyville to Chibougamau and St. Felicien, 294 miles in length. Fifth, there was the line from Bartibog to Tomogonops, New Brunswick, 22 miles in length, authorized by parliament in 1956. Then there were two other projects initiated by the Liberal government in 1957, both approved, however, in the 1957-58 session of parliament. These were, first, the line from Optic lake to Chisel lake, 52 miles in length and the line from Sipiwesk to Burntwood river, 30 miles in length. The total mileage of these several branch lines undertaken by Canadian National Railways to which I have referred amounted to exactly 681 miles, and in the case of each of the eight projects which I have mentioned the line was built in order to develop the natural resources of the country and the areas which these lines serve and tap.

How a minister of the crown can make a speech on "The Nation's Business" and say that over a period of 50 years no railway construction has been effected is more than I can understand. It is indicative of some of the statements that are made from time to time on the other side of the house.

I should like to refer to another statement made by the present Minister of Transport when he sat on this side of the house. I refer to a debate which took place on April 26, 1955 having to do with a resolution concerning Canadian National Railways sponsored by a former minister of transport. As found on page 3179 of *Hansard* the present minister is reported as having said:

> In my opinion, a member from the province of Quebec cannot help noting the more or less favourable attitude of the Canadian National Railways toward our province. Among the Canadian provinces, Quebec is the one with the least trackage having regard to its population and, after Newfoundland, the province with the least trackage having regard to its area. In view of this treatment inflicted upon the province of Quebec, whether deliberately or not, by the management of the national railways any legislation which could remove from the control of parliament certain activities of the management of the national railways cannot but cause concern.

The question that comes to my mind is this. Has the Minister of Transport changed his opinion? Does he think that Canadian National Railways is still unjust and unfair to the province of Quebec, as he then stated in his speech? Well, he delivered a speech on February 12, 1961 to the Chibougamau chamber of commerce, and I should like to refer to what he had to say with regard to this very matter. I have here a copy of his speech as released by his office on February 12 of this year, and in it I find the following:

> One fact which deserves note in passing is that Quebec province comes before all other Canadian provinces for the number of thousands of miles of railroad constructed by Canadian National Railways since the end of the war. Is not that a proof of the confidence felt in the wealth not only of our province but also of our whole country?

Oh, how a change of office can also change the opinion of an individual.

Some hon. Members: Oh, oh.

Mr. Chevrier: I see that my friends are rather annoyed. They are annoyed because of the fact that there was an earlier debate in this house when they tried to divide this country—

Some hon. Members: Oh, oh.

Mr. Chevrier: —and one of those who were responsible for that attempt was one who tried to say that the construction of the main line of this railway was such as to bring traffic from the Abitibi country into the city of Toronto rather than to a destination in the province of Quebec. I am sure the Minister of Transport does not agree with that. Certainly he did not believe it when he made this statement two days ago at Chibougamau, at which time he had changed his views considerably from those he had expressed formerly in this house.

Mr. Balcer: On a point of order, Mr. Chairman, I wonder whether the hon. member would be good enough to say to whom he is referring when he says that members have been trying to divide the nation.

Mr. Chevrier: I will be very happy to indicate to whom I had reference, and in doing so the Minister of Transport is absolved immediately. I had reference to the debate which took place on the two lines that were to be built and which brought about interruptions from the rear by these stupid gentlemen who insist on interrupting anyone who speaks from the front benches. I refer to the member for Chicoutimi of that time and one other member whose constituency I have forgotten.

Some hon. Members: Oh, oh.

Mr. Chevrier: Mr. Chairman, I think I am entitled to speak without all these interruptions.

The Deputy Chairman: Order. I think it was mentioned a little earlier today that the hon. member who has the floor is entitled to speak and to be heard by all other hon. members. The Chair has recognized only one hon. member and that is the hon. member for Laurier.

Mr. Chevrier: Thank you, Mr. Chairman. I should like to come back now to the measure before the house and give the house another statement made by the hon. member for Three Rivers, as he then was, during the consideration of a matter introduced by my predecessor. As found on page 3180 of *Hansard* for April 26, 1955 he is reported as having said:

> The Canadian National now has a wonderful opportunity to contribute to the development of the province of Quebec through the construction of a railway on the north shore, whose mining and forest resources are practically limitless and where it would be possible to develop nearly seven million horsepower.

I could quote further but I do not want to embarrass the minister unduly. Now that he is responsible for the operations of Canadian National Railways I hope it will be possible for him to introduce legislation in the not too distant future respecting the construction of a railway on the north shore of the St. Lawrence. If he does, I can asure him now that he will have the wholehearted support of those who sit on this side of the house.

I should like to conclude my remarks by saying that we support the construction of the Mattagami lake branch line. We support it not only because it is necessary to the area, not only because it would seem to be a profitable venture, but also because it is a logical complement to the three lines which we as the former government constructed when we were on the other side of the house. Because of the attitude we take on this legislation I have no doubt that, should the minister feel it desirable at any future time to bring in legislation of a similar character, it will meet with sympathetic consideration from this side of the house.

Mr. Fisher: Mr. Chairman, the positive role of Canadian National Railways is very well exemplified by the resolution preceding the introduction of this legislation. We will support it, and we look forward to receiving more details from the minister at a later stage of the debate with respect to the economic information that led him and the cabinet to approve the legislation.

In the grand recital of the eight great projects which the former minister of transport gave, he mentioned one that has turned out to be not very economical, the line into Manitouwadge. A goof seems to have been made by that magnificent Liberal administration, and we wound up having not one branch line but two branch lines into the base metal resource at Manitouwadge, neither of which is doing very well. Certainly there is not enough traffic for both of them. I raise this point simply to indicate that sometimes these grand schemes are not so good in the long run as they appear to be in the beginning.

One of the points that immediately come to mind, of course, is that this is a large base metal area into which the line is going. The minister probably knows that there are peaks and valleys in the world production of base metals. In recent years Canada has moved rapidly ahead in this field, and the long term prospects look good, but in the short run there is every indication that we may have a saturation of the markets for the very metals that are going to be coming from this particular area, something which may mean that the line will be built, the area will be opened up, yet the mines themselves will languish.

We should like to hear more about the economic projection in this particular direction. Certainly if the line is going to move pulpwood we should like to know more of what the prospects are of pulpwood delivery, to what mills the pulpwood will be going, and whether the crown lands in the Mattagami lake area are held by any particular concern; how they are being cut off, what is the cost of pulpwood that is coming out of there, and whether it can compete with the pulpwood that is much closer to the mills. One of the factors that we have discovered in our part of the country, where we have extensive pulp and paper production, as is the case in Quebec, is that the farther away you get from the mill, all the railway facilities in the world will not enable you to compete in putting your wood down at the mill. Once a wood haul gets to be over 150 miles or 175 miles in length it becomes an extremely high cost one, even with the most efficient kind of rail handling. Again perhaps the hon. member for Villeneuve can enlighten us on what the prospects are in this particular regard.

The cost of the railway line seems to be quite low per mile for the terrain that one normally encounters in the Laurentian area. We should like from the minister some assurance that this is the maximum figure of approximately $140,000 per mile.

The last point upon which I should like to comment in connection with this resolution is this. Before the royal commission on transportation the former Quebec government made a presentation—as I remember it, Hon. Daniel Johnson actually made it—and the

brief it seemed to me certainly expressed a chip on the shoulder attitude, an attitude indicating that the Canadian National Railways, the railways in general and the federal government had failed to come through for the province of Quebec in opening up its resource areas.

This matter has already been dealt with by the hon. member for Laurier in his own unique and Liberal way. I should appreciate hearing more about the position of the province of Quebec in this regard as it was expressed to the royal commission. It seems to me that we have two opposite positions, clarification of which I certainly should appreciate having. On the one hand we have a claim by the former minister that really the extension of rail lines in this country owed a tremendous amount to the great Liberal party, and in no place perhaps more than in the province of Quebec. This is his position. Now we have the brief before the royal commission, with which I am sure the minister is familiar, which indicates a completely different story.

As the hon. member for Laurier has pointed out, the Prime Minister and the Minister of Agriculture in his former role have taken a good deal of credit for a change in policy which is giving Quebec what it needs and wants. I think this would be a good time and a good occasion on which to have one of the government spokesmen from the province of Quebec set the record straight from their point of view; that is to say, set the record straight for those of us who do not wish to go down any particular party line and who would like to consider whether Quebec has been forced to languish without rail facilities in these resource areas, and if so why, and why the situation has changed at this time.

We think the resolution is a good one. We think the C.N.R. has a most positive role to play, and we only wish that this positive role could be emphasized more at a time when the road is under such severe criticism in other areas, and indeed when all railways are under such severe criticism. In northwestern Ontario the Canadian National Railways has played a marvellous part in the development of the resource industries, especially that of mining. Indeed, it seems to me that it is mining and the mining development that have made the C.N.R. through that part of the country much less of a money drain than many people feared it might be.

The Canadian National Railways has been under criticism by some of us in the sessional committee on railways, air lines and shipping for what we think is a retrogressive tendency in its dealings with labour and with the communities that fall within its particular orbit. There is not likely to be any question from the communities that may be affected by this rail line about the need for it. I hope the minister is aware of the fact that disillusionment later comes to communities that get on rail lines. I refer to disillusionment as to the services they get, the number of employees that may be involved and the security of their employment. I hope the minister may be able to give us some indication later on in the debate with regard to the number of people who are going to be involved in work, the number of trains, the running crews, the maintenance crews and what this will mean in population and job terms for the area.

In summary, we should like to have more information than the minister has given us at this particular stage. If necessary we shall hope to bring this information out by questioning at a later stage when we are going through the bill section by section in committee.

Mr. Sevigny: Mr. Chairman, it was indeed quite gratifying a few moments ago to hear the hon. member for Laurier mention that his party, like himself, would favour this completion of a railway line leading to the Mattagami district. For a while during his speech his tone almost intimated that he would not come out with the well received statement which he made toward the end of his remarks and for a while we had the impression that the hon. member was almost willing to oppose the construction of this railway line.

This attitude would have been most surprising because this railway line, as was clearly explained by the Minister of Transport, has been essential for a good many years, and will help to develop this northern region which is so rich and promising for the future of the province of Quebec and also for all of Canada. This indeed is a worthwhile project which will be welcomed by all those interested in the national development policy of this government, which wishes actually to give as much wealth as possible to the citizens of the nation through the development of the northern regions and all the other unexplored or still virginal territories of this great land.

Actually what surprised me most of all in the comments made by the hon. member for Laurier was his reference to the fact that some hon. members of the Progressive Conservative party sitting behind him had at some point in the past possibly advocated a policy which might lead to national disunity. It was indeed rather surprising to hear him speak in that vein, and we are not yet quite clear as to what exactly he was referring to.

Mr. Chevrier: You had better read the debates and you will find out.

Mr. Sevigny: I am coming to that in a moment. It seems to me rather curious that he should have been speaking in such a vein, and I would indeed appreciate it if at a further sitting of this house, or whenever he feels like it, the hon. member would give us some examples of this national disunity which he claims has been spread by these two members.

Mr. Chevrier: Would the associate minister wish me to do it now?

Mr. Sevigny: If the hon. member does not mind, I would prefer to continue my remarks. Perhaps after I have finished my remarks we could—

The Deputy Chairman: Order. I think the Chair has been quite lenient in allowing the Associate Minister of National Defence to refer to some remarks made by the hon. member for Laurier. However, the resolution before us does not involve the question of what two members may have done. I think now that I have allowed the matter to be answered, the associate minister should come back to the resolution before the committee.

Mr. Sevigny: Mr. Chairman, you are quite right, and in fact it was my intention to come back to the resolution before the committee. That is exactly what I planned to do.

We do not deny that during its long tenure of office the former government at times did something in order to give this country certain railway lines which it needed. We actually compliment them for having done that which was essential, and which was in line with the mandate they had undertaken when they took office. We wish to commend the hon. members for indeed having at times built some railway lines which helped in the development of this nation.

However, we are at a loss to understand why hon. members opposite object to the fact that we are rather pleased at having ourselves been able to do our share in this respect, and at having been able, since we have been in office, to help in the development of the railways of our nation through the construction of a considerable length of railway line certainly surpassing 200 miles and very close, if my memory is correct, to 300 miles.

At present we are very pleased indeed to be able to announce to the people of this nation that a railway line will be built which will link the Mattagami region with the other regions of this nation. What we cannot understand is why the hon. member for Laurier objects so much, as he does, to our statement that perhaps we are doing what should have been done earlier—

Mr. Chevrier: I am not objecting; I am for it.

Mr. Sevigny: —and is being so vociferous in his objections.

Mr. Chevrier: On a point of order, Mr. Chairman—

Some hon. Members: Don't interrupt.

Mr. Chevrier: —the associate minister is misrepresenting what I have said.

Some hon. Members: Oh, oh.

Mr. Chevrier: He states that the hon. member for Laurier does not seem to be in favour of the legislation. He has said that now on two occasions, and it is quite clear from my remarks, as well as from the preamble to them and their conclusion, that we on this side of the house support this measure.

The Deputy Chairman: Order. I do not think that is a point of order. It is a matter of contradiction, which could be dealt with at the end of the associate minister's speech.

(Translation):

Mr. Sevigny: Mr. Chairman, in reply to the hon. member for Laurier, allow me to say that he possibly misconstrued the tenor of my words. I said, at the beginning of my short remarks, that we, on this side of the house, were very happy to note that the hon. member for Laurier and his colleagues of the opposition were finally coming out in favour of the proposed construction of the Mattagami railway. What we fail to understand, however, is that he should find it so strange that certain members of the house should object to statements of his and occasionally interrupt him or decide to raise some objections to his statements. After all, the hon. member for Laurier should be inured to certain opposition practices. May I ask him to go back a few years ago when this matter of railways was being dealt with in this house, and he will perhaps recall a debate which took place on Wednesday, May 19, 1954, and whose tenor was such that the following morning, *Le Devoir* felt compelled—

(Text):

Mr. Chevrier: Mr. Chairman, on a point of order, I have no objection to the associate

minister introducing this element. A moment ago you asked the associate minister not to do it because he was out of order, but if he wishes to do it I claim the right to reply to what he is now saying. This statement is entirely out of order.

The Deputy Chairman: The translation from French to English was off for a few minutes, so I did not hear what the associate minister said. However, if he has again strayed away from the resolution I would ask him once more to come back to it, please. The translation system is now back in operation.

Mr. Sevigny: Mr. Chairman, on the point of order raised by the hon. member for Laurier I wish to simply tell him this. He seems to object to the fact that certain members of this house object to certain statements he has made. I am simply in the process of asking him why he objects, since he is quite familiar with the debates on this question of railways which have taken place from year to year in this house.

I was at the point of referring to one particular debate which took place in this house on May 19, 1954, when the hon. member for Laurier was a member of the government. During this debate there were a great many objections on the part of the members of the opposition to which the hon. member for Laurier objected. The nature of his objections gave rise to an article which appeared in *Le Devoir* the next day, May 20—

The Deputy Chairman: Order. I do not quite understand the associate minister when he says he is speaking to a point of order. I do not understand to what point of order he is referring. He says he is speaking to a point of order and then refers to something that happened in 1954, which at the moment I cannot see has anything to do with this resolution. If the associate minister would show me how it does, I would be very happy to hear him.

Mr. Sevigny: Mr. Chairman, I have difficulty in speaking to the point of order because I do not believe there is substance in what the hon. member for Laurier has said in his point of order. I am simply, once again, saying that the present members of the house have just as much right to answer the criticisms of the hon. member for Laurier as he had at the time to answer the criticisms of those who were attacking him. If you do not consider this in line with the rules of the house I shall refrain from further remarks in this vein. I will simply confine my remarks to the fact that we are indeed very pleased to note the attitude of the hon. member for Laurier, who approves of the measure that is before us. We are also pleased to note that he agrees that this a progressive government that is working in the better interests of the people.

(Translation):

Mr. Dumas: Mr. Chairman, building that railway line will facilitate the development of natural resources in the lake Mattagami area.

The Minister of Transport (Mr. Balcer) had only a few remarks to make on the matter. However, I noted that he proposed to supply further information when the legislation comes up for second reading.

It would be most interesting, for instance, to know the result of operations for the Barraute-Chibougamau line, and that other line which connects Chibougamau with St. Felicien.

Mr. Chairman, I would like the minister to tell us, on second reading, the earnings of the Canadian National Railways over those two sections, namely the line from Barraute to Chibougamau, and from that point to St. Felicien. In short, I would like to know the earnings for each of those sections.

Mr. Chairman, for the last five years there has been heavy prospecting in the Mattagami lake area. In fact, some 50 mining companies have been spending over 10 million dollars on prospecting and development work of all kinds, chiefly in the lake Mattagami district.

About a hundred mining properties have been tested. Geophysical, magnetic and electromagnetic work has been done. Geological surveys also were conducted on those sites, and diamond drilling took place on about 50 of the properties.

Therefore, for the past five years, a total of $10 million was spent in proving that some of those properties were well worth developing.

Two companies, among others, made major discoveries. The first and major one, the Mattagami Lake Mines Limited struck a deposit of about 21 million tons of metallic ore containing the following percentages: zinc: 12.76 per cent; copper: 0.68 per cent; silver, approximately 1.3 ounces per ton. While the gold content is low, it is not altogether valueless, assaying 0.018 ounces per ton.

On property bordering on that company's territory and belonging to the Orchan Mines

Limited a deposit of 6 million tons of ore has been discovered, of the following content: zinc, about 13 per cent; copper, 1.3 per cent; silver, 1.3 ounce per ton and gold 0.02 ounce per ton.

The enormous value of those two deposits is therefore readily realized.

The Mattagami Lake Mines Limited intends to build a plant with a capacity of 2,000 tons per day; the Orchan Mines Limited, on the other hand, proposes to build one with a daily capacity of 1,000 tons. Once those two plants are in production, they will put out the following quantities of metal per day: 375 tons of zinc, which means 750,000 pounds; 60,000 pounds of copper; 6,000 ounces of silver and 60 ounces of gold. Altogether, this represents a yearly production of 137,000 tons of zinc, 11,000 tons of copper, 190,000 ounces of silver and 21,900 ounces of gold.

At current prices for those metals the total yearly production is valued at about $40 million.

The zinc production of 137,000 tons represents 35 per cent of the total Canadian production at this time, which means therefore, that the Mattagami lake deposits are of outstanding significance.

I hope the house will welcome this resolution so that we way have the text of the bill as soon as possible.

Moreover, let us hope that there will be no delay in enacting the legislation, so that the contractor who has to carry out the work may start clearing operations as soon as possible.

The mining companies propose to develop the two most important deposits in the Mattagami lake area, the Mattagami Lake Mines Limited in the fall of 1962 and the Orchan Mines Limited in the latter part of 1963.

If the railroad is not completed by that date, mining development will naturally be delayed. Therefore, I hope that everything will be done so that this legislation may be passed with all possible dispatch.

Mr. Chairman, I have personally taken part in the development of that area. I am still keenly interested in this matter, even if the area involved is outside the constituency of Villeneuve. It is in fact located in the neighbouring riding, that of Chapleau (Mr. Martel), a vast territory.

We have been hearing about Mattagami for several years. It was mentioned in this house in 1954 at the time the building of the Chibougamau railway was being considered, and the matter was raised on many other occasions when it was always pointed out that the natural resources of this area were practically unlimited. They are indeed almost unlimited because, besides the two deposits I mentioned earlier, in 1958, that is a year after the discovery of a deposit by the Mattagami Lake Mines Limited, another Canadian company, the New Hosco Mines, discovered another rather substantial copper deposit quite close to the Allard river, a few miles to the northwest of the Mattagami mines. This deposit will no doubt be also developed in the comparatively near future.

A little closer to Mattagami Lake Mines, to the northwest, another Canadian company, the Radio Uranium Mines Limited, made a fairly important discovery with diamond borings. I am convinced that at this place a workable copper and zinc deposit will also be discovered.

A bit farther to the northeast, the Connest company has traced another deposit which is not to be ignored since it contains a fairly high percentage of copper and zinc, even though of lower grade than others discovered so far.

As far as mining is concerned, this area has hardly been touched to this day.

And now, in addition to those mining resources, the Mattagami area has almost unlimited timber resources. As a matter of fact I read in a recent report that timber resources in the Mattagami area amounted to more than 50 million cords of wood immediately available. Hence the importance of making haste in trying to develop natural resources in this area.

The hon. member for Laurier (Mr. Chevrier) mentioned in his opening remarks one of the pioneers of northwestern Quebec who deserved all our admiration, Mr. Jean-Baptiste Lebel. In fact, Mr. Lebel, in the course of his numerous activities in northwestern Quebec, has always advocated development in the Mattagami lake area.

For years he has been dreaming of a pulpwood industry there. Well, I believe that his dream is about to come true, since there has been talk of a very large lumber company from Quebec considering in the coming months the possibility of building a plant quite near to Mattagami lake, close to the eastern part of the area with which we are concerned. If this pulp-mill or paper plant is to built, it will probably require the construction of another branch line, from a point close to the Bell

river, where the line I am referring to should cross the river, then northeast and probably as far as Anita bay, on lake Mattagami, the probable location of the paper mill now being advocated by Mr. Lebel.

Apart from those forest resources, there are great possibilities for farming. Land in the Mattagami area is very good, as has already been pointed out. Hundreds of farmers could easily settle there.

Naturally, today, there is no large-scale settlement in new areas, but we must think of the future. Once our mining industries are permanently established there, and if we should manage to have paper mills too, in that area, large-scale settlement will unquestionably be possible at that time.

A few years ago, it was estimated that the Mattagami lake area could absorb 15,000 farmers. I think it would sound a bit over-optimistic to say that those farmers will settle there within the next few years, but I feel that, 15 or 20 years from now, that many farmers will probably have located there.

A few years ago, that is in 1957, while the construction of the Chibougamau railway was being discussed, I said that the population in that area would rapidly increase. As a matter of fact, Mr. Chairman, at that date, Chibougamau could boast of very few citizens; today, however, it is a flourishing city with a population of 5,000. I am sure that in a few years Mattagami will have a population that will compare with that of Chibougamau.

There is no doubt that all those mining developments will have attracted people anxious to see for themselves the developments of the north.

For my part, I have the honour of working at the planning of a mining town at Mattagami, on the shore of the Bell river, and I am anxious to stake out the first lot on which a building will be constructed to accommodate people who will be working in the mining developments.

In the last two years, the provincial government has been building an all-weather road. Around 40 miles of it were built under the Union Nationale government, and Mr. Lesage's government is now adding another 50 or 60-mile stretch.

An hon. Member: Charging new taxes.

Mr. Fortin: What a good example.

[Mr. Dumas.]

The Chairman: Order.

Mr. Fortin: On a 50 per cent basis.

Mr. Dumas: Mr. Chairman, some hon. members talk about new taxes. I wonder whether there had been no taxes before in Quebec.

Mr. Fortin: They were lower.

Mr. Johnson: They were lower. Taxes were being paid by people who could afford to pay them. Today, they are being paid by those who cannot afford to do so.

Mr. Dumas: Mr. Chairman, that hard-surfaced road will be completed within a month. Everybody in northwestern Quebec hope that this permanent road will be extended further north so as to allow the development of huge hydraulic resources located along the Nottaway river.

As for the railway line that will be built in the next two years, there is no doubt that the C.N.R. will be asked to extend it as far as James bay, because we now feel that the Bell river, south of Mattagami and the Nottaway river north of that point—represent the nerve centre of the district. This is where we find adequate hydraulic power to ensure the prosperity of northwestern Quebec.

Furthermore, all the rivers flowing into James bay flow through vast forests that will one day be developed. Obviously the timber cut from those forests will be floated down those rivers as far as James bay, and much of it will be processed locally, where paper mills will be built. Needless to say that the manufactured product will have to be shipped either by boat for part of the year, or by rail in the winter months. Therefore, we expect the railroad to eventually reach James bay at Rupert bay.

A fact that must not be overlooked is that, in addition to the mining and large forest resources in the Mattagami area, that are found all along the major rivers flowing into James bay, there are also considerable iron ore deposits on the Great Whale river, a little farther north. Those deposits will one day be developed and the sensible procedure would be to transport the ore southward along the Nottaway river.

Thus, the construction of the Chibougamau railroad was simply the beachhead of the development of the natural resources in northwestern Quebec. By building this branch line to lake Mattagami, we are establishing a

second beachhead. That is why I repeat, as I said in my opening remarks, that I hope the house will support this resolution and that the members will assist in hastening all stages of the bill, so that construction may start as soon as possible.

Mr. Chairman, a few moments ago, the hon. member for Port Arthur (Mr. Fisher), referred to lumber concessions in the Mattagami lake area.

In the immediate area around Mattagami lake, there have been no forest concessions, as yet. Those which have been officially established were located along Bell river, about half way between Senneterre and Mattagami. However, there is no doubt that if some companies decided to put up pulp mills there, the government would be able to guarantee them some lumber concessions to supply the pulp or paper mills for several years to come. There is no need to worry about that angle as the forest lots in the district, starting about fifty miles south of Mattagami lake and stretching towards the great north, have not been conceded yet. There are enough lumber resources in that area, I would say, to supply three or four paper or pulp mills.

Consequently, Mr. Chairman, I think that hon. members who are not familiar with northwestern Quebec districts will realize the importance of building that railway line. The cost will be under $10 million, whereas the two corporations I named at the start of my remarks, i.e., the Mattagami Mines Limited and the Orchan Mines Limited propose to spend over $40 million during the next three years.

We should also remember that the two corporations are ready to develop their own deposits; they also want that part—or rather the greater part—of those underground resources to be processed locally or, at any rate, within the province of Quebec.

For that reason, the two companies intend to build a zinc refinery with a daily capacity of 400 tons. Those two firms alone will produce 375 tons a day. It is therefore quite understandable that a zinc refinery with a minimum capacity of 400 tons a day is required because, in addition to the facilities of Mattagami lake, 200 additional tons of zinc are produced daily in various mines located nearby, in northwestern Quebec. It is therefore highly important that the zinc refinery be established as soon as possible, and we hope that it will be built in the Mattagami lake district. However, there may be certain factors which could cause the companies to decide otherwise. As far as I know, however, the firms concerned believe that, if economic conditions are favourable, the refinery will be established in that area, or rather, we have been assured that it will, at any event, be erected in the province of Quebec, which is a most important decision.

Mr. Chairman, you can see how important is the development of the Mattagami area which, as I said, is the nerve centre of northwestern Quebec. I am convinced that with the co-operation of everyone, we could develop this area, not only for the benefit of its own residents, but also for the benefit of the citizens of the province of Quebec and of Canada as a whole.

Mr. Martineau: Mr. Chairman, would the hon. member permite a question?

Mr. Dumas: Yes.

Mr. Martineau: Mr. Chairman, my question concerns the access roads which, according to the hon. member, have been built or are planned by the government of Mr. Lesage. Could he tell the house whether those roads are built under a federal-provincial agreement or built solely by the provincial government?

Mr. Dumas: Mr. Chairman, I think the hon. member for Pontiac-Temiscamingue is aware that the Union Nationale, during its administration did not deem it appropriate to co-operate with the federal government toward the construction of that road from Amos to Mattagami under the roads to resources program. But last summer, Mr. Lesage hastened to correct this situation, and he stated that his government was willing to enter into negotiations with the federal government concerning the section still to be built between Amos and Mattagami as well as the one built many years ago but which is in need of repairs on a distance of some 40 miles, from Amos and running to the north. As the parliamentary secretary knows no doubt, the two governments entered into an agreement last November. That agreement was signed in Quebec by the present Minister of Northern Affairs and National Resources (Mr. Dinsdale) and by the minister of mines of the province of Quebec.

That road is under construction at the present time. Under the Union Nationale government, 40 or 50 miles had been completed. The balance of the road is now being built between Amos and the Mattagami Lake Mines Limited, a distance of about 105 miles, and from that point there is about 10 miles to the Hosco mine. That road, then will cover a distance of about 115 miles. From the Mattagami Lake Mines Limited to the new Mattagami village, or to the location selected for the establishment of the new village, another streach of five or six miles will have to be built, and this will be done, I believe, under the existing agreements between the Quebec government and the federal government.

Mr. Martineau: I thank the hon. member for the information he supplied. I put that question to him because in the course of his remarks he made no mention of the Conservative government's contribution to this important project.

Mr. Asselin: Would the hon. member allow me a question?

The Chairman: I am sorry but the time allotted to the hon. member having expired, the unanimous consent of the house is required.

(Text):

Is the committee agreeable to permitting further questions?

(Translation):

Mr. Asselin: Could the hon. member tell us the name of the engineering firm which makes the survey for the joint project?

Mr. Dumas: This question makes me laugh, Mr. Chairman. To answer it I will tell the hon. member that the department's engineers are those who do the civil engineering work for the construction of the road. But I see what my hon. friend is aiming at, and I must say to him that, as a surveyor, the government of the province of Quebec has asked me to do the surveying for the expropriation of certain parcels of land bordering on this new road from Amos to Mattagami. So, to help ease my hon. friends concern on this matter, I will read to him—I think I might give this explanation—

Mr. Johnson: I suggest that you do not need the member for St. Jean to prompt you.

Mr. Dupuis: Very well, Danny boy.

[Mr. Dumas.]

Mr. Dumas: No, no, it is quite all right. I have here a copy of the agreement signed by the government of Canada and that of the province of Quebec with regard to the construction of the road between Amos and Mattagami and I find the following at clause 9 of this agreement:

> The cost of these works will not include any amount paid by the province of Quebec towards the project after March 31, 1966 and in all cases will not include the payments made by the province of Quebec towards—

And I now read subclause (B):

> The purchase of an interest or any land interest in connection with the execution of the project, including compensation or indemnification for the obligatory taking over of the land or for the unfavourable soil of other lands;

So, it happens that the cost of this land expropriation is entirely paid by the government of the province of Quebec; the federal government will not pay a cent in connection with land expropriation. So, because I am a surveyor, I have been asked to do this work, which is carried out by a surveyor of the province of Quebec who is now working for me.

I think the hon. member does not have to be overly concerned about that.

Mr. Asselin: I just wanted to find out if there was any patronage, but since there is none—

Mr. Martel: Mr. Chairman, this resolution introducing a bill to provide for the construction by the C.N.R. of a line of railway from a point near mile 72 of the Kiask falls subdivision to Mattagami lake, in my constituency, is of particular interest to me.

In my opening remarks, Mr. Chairman, I should like to emphasize that it is through the action of the Conservative government that this project is made possible, whatever our opponents may think. I would even say that, in my humble opinion, this project is brought into being at least one year sooner through the policy of our government which, as early as 1957, has taken an interest in the northern regions, as was stated by the Prime Minister of Canada (Mr. Diefenbaker).

Evidently, at that time they tried to ridicule the northern vision of our government, saying that it was an igloo to igloo program, but the resolution now before us proves that the Conservative government not only spoke about it, but took action in this regard. Besides, it does so not only in the province of

Quebec, in northern Quebec, or in that area of my constituency where this railway will be constructed, but also in western Canada and in several other provinces of this country. In fact, the government considers also the construction of a new railway to the north of Alberta in the Northwest Territories, and we shall no doubt be asked to consider a bill to that effect as soon as the study is completed.

Therefore, it is with pleasure that, as representative of the constituency of Chapleau, I give my unqualified support to this resolution and I thank our government for having decided to carry out right now this important project.

I wish to congratulate most particularly the Minister of Transport (Mr. Balcer) who has always supported the construction of that railway line, even before he took up his present duties. In addition, he deserves hearty congratulations for having had this important item of legislation introduced in the speech from the throne at the beginning of the present session.

As I said a moment ago, that shows the interest of the Conservative government and its leader in the development of the northern country. I for one was interested in that question as soon as I was elected—or I should say even before, when I was doing some prospecting work in that area—but more particularly since I have the honour to represent this constituency in this house. Besides, I had the opportunity to mention that question here in 1958, as did my colleague from the adjoining constituency who indicated very clearly the mining potential of that large area when the estimates of the Department of Mines and Technical Surveys were before the house.

Mr. Chairman, I see that it is five o'clock and I wonder if I might move the adjournment of this debate before I resume my seat.

(Text):

The Chairman: Order. It being five o'clock, it is my duty to leave the chair in order to permit the house to proceed with the consideration of private and public bills pursuant to section 3 of standing order 15.

PRIVATE BILLS

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private and public bills, the former having precedence, pursuant to standing order.

CANADA ELECTIONS ACT

AMENDMENT TO REDUCE VOTING AGE

Mr. Frank Howard (Skeena) moved the second reading of Bill No. C-15, to amend the Canada Elections Act (age of voters).

He said: Mr. Speaker, while the bill in its form contains a number of technical amendments, the end it seeks is relatively simple, namely to reduce the age of qualification of electors from the present 21 years to 18 years. During the last session of parliament a complete revision of the Canada Elections Act was undertaken. The standing committee on privileges and elections made a complete perusal and review of the act and in that committee this subject matter was dealt with to a considerable extent. However, the committee was not of the opinion that it should recommend such a reduction to parliament.

As a preliminary comment I might add that in the committee itself there was some discussion about the question of legal age, as I understand it, of a person. It was to the effect that one under the age of 21 was not able to enter into a valid contract of purchase and the like, and the thought expressed was that these things should go hand in hand. It was thought that if the voting age was lowered there should also be a consequent reduction in the legal age. However, it was subsequently pointed out by members of the committee who were of the legal profession that this latter matter of the legal age, so called, is one of provincial jurisdiction rather than of federal jurisdiction, and I think perhaps we may only look at it in that light and in a general way.

A variety of reasons are put forward, to which I subscribe, as to why the age of electors should be reduced to 18. Perhaps the first one that comes to mind is that we have improved educational facilities. Over the years the average grade reached in school has been steadily increasing. I understand that the average person now reaches grade 10 or thereabouts. I understand that grade may perhaps increase further or that it may have increased since the last census. Because of improved communications more immediate contact with political events in this country and those in other parts of the world we are in effect approaching what is described as a smaller world. All in all, it means that our younger generations have increased opportunities to have firsthand knowledge almost of public affairs and of political matters

not only in this country but in other countries of the world as well. With improved communication systems such as television, for example, the events that take place in other parts of the world are known to us almost immediately as they occur. I say that this quick means of communication gives our younger people a much better insight into political and public affairs and a more immediate knowledge and better understanding of them than was possible 20 years or 30 years ago.

I made inquiries of the hon. member for Port Arthur (Mr. Fisher), who is in the teaching profession or who practised the teaching profession before he reached this place, although some people may doubt whether or not he engages in that sort of activity. Nevertheless, there is a situation that prevails in Ontario and I understand that it prevails in Manitoba, from information given to the committee last year by the hon. member for Marquette (Mr. Mandziuk); and I am given to understand that it prevails in other provinces also. In Ontario, it is not uncommon to find people entering the teaching profession at the age of 17, 18 or 19 or thereabouts. These teachers in fact engage to some extent in the teaching of history and of current affairs but they themselves are not in a position to vote.

It is not uncommon to find university students of the age of 18 or 19 or thereabouts. In universities the question of political activities is gone into far more extensively. For instance, just the other day a group of political science students from Queen's University visited the parliament buildings. Many of them were under the age of 21. Mock parliaments are in existence in practically all the universities in the land and, I understand, to a slight extent even in the latter years of high school in some places. All of these things tend to put the individual who is under the age of 21—that is the legal age to vote—in closer and more immediate contact with public affairs and to give him a better understanding of those affairs than was possible a number of years ago.

We consider that a person of the age of 18 is mentally and physically capable of participating in the war effort when it has been necessary in the past to draw him into that field of activity, and we still think in those terms. Likewise, I think we should consider that he is capable of exercising the same degree or a similar degree of political judgment that a more mature person or a more elderly person might be capable of exercising.

[Mr. Howard.]

I realize that people who are in the armed forces can vote. However, I should perhaps emphasize that what I am getting at is this. If parliament is of the opinion that persons of the age of 18 have the abilities, mental and physical, necessary to participate in the armed forces, then we should also consider that they have the qualities and the abilities necessary to participate in electing candidates. I consider that extension of the right to vote is merely an extension of our right in a democracy by providing these persons of 18 years of age an opportunity to participate openly and fully in electing members of parliament to represent them in the House of Commons.

The speed-up in our economic activities coupled with intensified education tends to draw people into the working force at a younger age than formerly. It tends to draw them into marriage at a younger age. It tends to draw them into the taxation field at a younger age by their mere entry into the working force. I submit that it tends to draw them into political activity as well, especially in some provinces in Canada which have a lower voting age than that which is provided under our Canada Elections Act.

I might perhaps in that regard make brief reference to some information which was given to the committee on privileges and elections during the last session and which was also entered on the record in a specific debate in this house during the last session. In the province of British Columbia and the province of Alberta the voting age is 19. In the province of Saskatchewan it is 18. In the province of British Columbia I participated in a provincial election as a candidate when the voting age was 19 and since that time I have participated in a provincial election in which I was not a candidate but which was held just recently, and the voting age was still 19.

We have found—and I am sure the same things have been experienced both in Alberta and in Saskatchewan—that there is a feeling of greater satisfaction on the part of the people in this age group in having the opportunity to participate in the great democratic process of electing M.L.A.s and governments in those provinces. There do not appear to be any difficulties whatsoever that have flowed from the electors in those provinces having the right to vote at the ages I mentioned.

Perhaps I could also indicate briefly the situation in other countries and other states from the material which was placed on

Hansard last session. I would point out that the voting age is 18 in the states of Georgia and Kentucky in the United States of America; in Bulgaria; in Venezuela; in Mexico, if married; Bolivia; in Costa Rica if one is married or a teacher; and also I understand in the Union of South Africa, although I would not use that political situation there as an argument to warrant our following suit.

In the state of Alaska it is 19; in Costa Rica, for other than married men and teachers, it is 20. There are a great many countries like Great Britain and New Zealand where the age is 21. There are some countries in which the age is higher than 21, notably Turkey, where it is 22; Denmark, where it is 23; and the Netherlands, where it is 25. This is information compiled from the *Statesman's Year Book* of 1959. I do not know what the current situation is, but I assume it is somewhat the same.

At the last session, Mr. Speaker, you will recall, as will other hon. members, that when we were considering third reading of the bill to amend the Canada Elections Act the hon. member for Assiniboia (Mr. Argue) moved a technical, procedural type of motion that the bill should not be read a third time then but should be referred back to committee for the purpose of reconsidering this question of lowering the voting age.

We had a division in the house on that amendment. The Liberals and ourselves voted together to, in effect, reduce the voting age. The Conservative members voted that it should not be reduced at that time, and there was some reasoning given as to why that course of action was followed by the Conservative members who participated in that division.

That reasoning was given by the Prime Minister (Mr. Diefenbaker) and perhaps I might be allowed to quote some of his remarks from *Hansard* of last year in this regard. I use them to say that I accept the invitation extended by the Prime Minister last session and think it is perhaps the course that we might well follow at this stage in order to bring a full, complete discussion and consideration of this matter in accordance with the time honoured practice of dealing with amendments to the Canada Elections Act.

I will quote from the remarks of the right hon. Prime Minister as reported at page 6279 of *Hansard* of July 14, 1960. Here the Prime Minister, referring to the amendment to which I referred earlier, said:

> I think it is one of those things that might very well be studied in detail by a committee at a subsequent session of parliament,--

Then he said:

> In a subsequent session I will join with hon. members in giving the membership of the house an adequate opportunity to fully explore all the considerations relative to this question;—

I think the course suggested by the right hon. gentleman on July 14, 1960 should apply to this session. This is a subsequent session and I think this would be a proper course to be followed. I have indicated on other occasions this should be the course to be followed with all public bills introduced by private members, but especially is it so in this case because we have the endorsation of that course by the right hon. Prime Minister.

While he may quibble, as perhaps he sometimes does, as to precisely what he meant —he may quibble that this is not the subsequent session to which he referred—none the less this is a subsequent session and it is the first one since 1960. Because this is such an important matter, because it relates to the right of people in the nation to participate in electing members of parliament and governments, because of the reasons I expressed earlier, because this is so much an integral part of our maintenance of democracy I think this should be classified as the subsequent session to which the Prime Minister referred. While he and I may have differences of opinion about some things sometimes, on this one we are in complete accord. I think that after the bill has been given second reading—I do not think there is any doubt about its passage—it should properly be referred to the privileges and elections committee for adequate and detailed study.

Mr. Frank McGee (York-Scarborough): Mr. Speaker, following the line of argument the hon. member for Skeena (Mr. Howard) was developing there is one matter that occurred to me following my perusal of the committee report of last year. I was a member of that committee. Unfortunately I was unable to be present the day this particular matter was discussed in the committee. However one thought occurred to me while the hon. member for Skeena was referring to the remarks of the Prime Minister. The hon. member made reference to what particular subsequent session might be the most appropriate time to examine this question. With the census being taken this year and with information which, to say the least, would be most pertinent to any examination of this question, perhaps the hon. member might restrain his enthusiasm for this inquiry until we have more comprehensive and more up-to-date information.

I recall that earlier in his remarks, when he was attempting to evaluate one aspect of this question, he made reference to the census and the fact that the results of that census would give us more complete and comprehensive information. I was interested both in reading the committee report last year and in the hon. member's discussion on the bill today.

One thing has always puzzled me, and perhaps the answer is available from some other hon. member who may be able to be of assistance in this regard. It has always been a source of mystery to me why the age of 21 came to be the age of legal responsibility. I can appreciate the relationship of the age of voting and the age of legal responsibility, but there seems to be a certain sanctity surrounding this particular age and I would be most interested if any hon. member could give me some assistance along this line.

The hon. member for Skeena referred to the hon. member for Port Arthur (Mr. Fisher). I was interested to find during a recent trip to Queen's University that a former student of the hon. member for Port Arthur was apparently unaffected by the socialistic leanings which one might expect to find in that hon. member's teachings. This student turns out to be a most active, lively, enthusiastic Conservative on the campus of Queen's. As a matter of fact, he happens to be the president or leader of the Conservative group on that campus.

Mr. Peters: It just shows the teacher was broadminded.

Mr. McGee: I have had occasion recently to examine at first hand some of the political activities in the various universities of Canada. Late last fall I had the great privilege of visiting St. Francis Xavier University, Dalhousie, the University of New Brunswick in Fredericton, and Mount Allison University in Sackville. Certainly, if one can judge from the calibre, intelligence and capacity, particularly of the Progressive Conservative student groups on these campuses, there is no question or doubt in my mind whatsoever that the reduced voting age should be applied to each and every one of these students.

I can think of several good examples where from every other point of view they are qualified with room to spare, even though some of them have not yet reached their eighteenth birthday. It is interesting to consider what one might find as a result of lowering the voting age to 18 years of age and the accompanying impact on student life, particularly if an election took place during the academic year.

I can assure you, Mr. Speaker, that I had nothing whatsoever to do with this, but shortly after my visit to Mount Allison University a movement was started which resulted in banning all political activity on that campus. As I say, I can assure you, Mr. Speaker, that it had nothing to do with my visit; the incident which precipitated this action took place before I arrived.

However, it is of more than passing interest to find that on the occasion of a new Liberal government taking office in New Brunswick one of the first things to happen is that political speech is to some extent stifled within the boundaries of that province. However, that is perhaps stretching the point a little. Getting back to the point of the university itself, it has been argued, and it was argued during my time as a student at Carleton College, that extracurricula affairs and in particular extracurricula political affairs had a damaging effect on academic standards. Perhaps there is some merit in that. It would be interesting to hear from some of the faculty members and university administrators concerning this aspect of the question.

In developing his argument the hon. member for Skeena also suggested that education, and the fact that we have, obviously, better informed young people in our universities today, perhaps has another side to it. The most impressive argument in this whole question has to do with the relationship of responsibility and privileges, and the age-old cry from people all over the world concerning taxation and representation. It seems to me that there is an almost unanswerable case put forward by a young man who is married and who is earning a living and raising children. It seems to me that a person in that specific situation, having those qualifications, cannot be deprived of a vote without a measure of injustice being done. This is along the same lines as the case which the hon. member mentioned where we allow a young person to join the armed services where he would theoretically be exposed to the bullets of the enemy, and yet deprive him of his vote at the same time. I myself happen to have joined the air force at the age of 17½ and, frankly, some of my most vivid recollections are that on different occasions and in different situations I was deprived of certain rights and privileges which were extended to fellow citizens of 21 years of age.

Actually in practice most of the restraints of this kind were not rigidly enforced during the war years in this country to any extent, but the point is, as I say, that there is a strong case for the young man who is married and having children. But it seems to me, though perhaps the census figures might

contradict this statement, that young persons particularly embarking on a university education do not take on the accompanying responsibilities until later in life, and the more specialized the various fields of education become, particularly as far as medicine and other faculties are concerned, the older, it seems to me, are our graduates from those institutions before they begin to earn money, pay taxes, get married and have children.

However, there are countertrends, I know, and particularly in recent years in the United States there is a growing number of young people who anticipate this problem. A great many of them marry while at university and a rather impressive number in high school as well.

So much for the points raised by the hon. member for Skeena. As far as knowledge and appreciation of the political facts of life are concerned, political activity at the various universities is at an astonishingly high level. As I mentioned, I have visited a number of universities in the maritimes, Queen's University, and more recently still the University of British Columbia, the branch of the University of Alberta in Calgary, the university itself in Edmonton, and the University of Saskatchewan at Saskatoon where a large number of young students turned out to hear a speech which I happened to be making.

I suspect, and said so at the time, that seeing a real live Tory from Toronto way out in Saskatchewan many were perhaps interested to see if I had any horns growing out of my head. I reassured them on that point, but the point I am making is that at the university there, and later on in Winnipeg, I found a very high level of knowledge, background and interest, and in any of the discussions which took place, either in political science classrooms or in meetings over the traditional cup of coffee, I found that the calibre and the degree of information would stand up against many hon. members in this house. As a matter of fact on a couple of occasions I was chased up a tree, so to speak, and I have had to do a little homework since returning to the house to provide the answers to the questions that were raised.

It is interesting, too, how this political interest can develop. In connection with Queen's University I had been looking forward for some time to the opportunity to visit the Joyceville institution and also the women's prison in that city. I mentioned those institutions to this young group of Conservative students and found that a substantial number both among the young men and the young women present in the group was most interested, concerned and stimulated by the activity in this field in recent years, and as a result of our visits to those institutions many of these young people have indicated a desire to follow this subject up further with discussion groups and guest speakers. The most encouraging thing of all, it seems to me, was the interest expressed in the John Howard Society and the Elizabeth Fry Society.

On balance, as I say, I would certainly support this measure as it applies to the university students I have encountered in my own days at college and in more recent times. I notice that the hon. member who introduced the bill, the hon. member for Skeena, mentioned in the committee last year that he was not wedded to the idea of 18, that perhaps 19 would be an appropriate age. This is perhaps a matter purely of choice.

I examined this question and prepared a series of qualifications which perhaps it would be more desirable to follow if the voting age were to be lowered to 18; qualifications along the lines I have mentioned, such as being married or a breadwinner in a larger family or, at any rate, paying taxes in some form or other, but upon discussing this with several members and persons who have considerable experience in administrative aspects of government I find this would create more problems than it would solve.

Certain groups in our society which did not happen to be included would feel as some people felt concerning the advance poll before the committee on privileges and elections recommended amendments to the act concerning the question of voting at the advance poll. Hon. members will recall that this privilege was confined to fishermen, railway workers, and a few other select categories. When you make exceptions and establish certain categories you immediately create a situation wherein other groups feel they have an equal right and entitlement to this privilege and are being discriminated against if it is not granted to them. I think that trying to couple a reduction in the voting age with restrictions in qualifications would be, on balance, a fruitless pursuit.

Although I am in favour of the principle involved in this bill I feel it would be more prudent to follow the suggestion made by the Prime Minister (Mr. Diefenbaker) during the last session and delay consideration of this question until we have the comprehensive, complete and up to date information which will be available when the census reports are published.

(Translation):

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, it goes without saying that I fully support the bill introduced by the hon. member for Skeena (Mr. Howard).

The reasons which urged him to introduce this bill are substantially the same as those which urged me, last year, to introduce a similar bill. Besides, I have again entered the same bill on the order paper this year.

The previous speaker said it would perhaps be a good thing to wait until after the national census in order to have more information. I think this national census will indeed give us more information: it will tell us among other things, that there are so many thousand young men of age 18; it will tell us that there are so many thousand young men of age 19. But I doubt very much it will tell us whether those who are 18 or 19 years old are qualified to vote.

Obviously, that would have no effect whatever on this bill. I recall that last year, a few days after I introduced this bill, *La Presse* of Montreal, made a sort of survey entitled:

What do you think of it?

The survey covered those who were directly concerned in having the right to vote at 18 years of age, that is to say students 18 years old, and I should like to mention briefly some of the impressions of those young people.

Among others, a young student said:

I would consider the right to vote at 18 as an absolutely sound move. A young man of that age has enough maturity of judgment to make up his mind on important issues of public interest... Sources of information are more numerous than formerly, easier of access and more efficient. The young man of today wants to affirm himself earlier than his forebears of a couple of generations ago.

And that same student added:

I think he should vote as soon as he reaches 18.

I shall now give you the impressions of another student:

For my part, I should like very much to be able to vote at 18. The young men of my age are able to take a useful interest in the social and economic policies of their country or province—Furthermore, in granting young people the right to vote at 18 years of age, they will be given an opportunity to feel they are of some concern to the government. When you trust someone, you automatically increase his self-confidence and his will to assert himself.

And the other two students who expressed their views in that same article of *La Presse*, said approximately the same thing as the other two I have just quoted.

I was reading in the newspaper *Le Devoir* for February 9, 1960:

Any group which does not have a solid core of youth is doomed.

I say that if you try to keep young people out of politics, you run the risk of having them sooner or later stay away from politics for good.

[Mr. Racine.]

The previous speaker has spoken at length about over 18 year old citizens and dealt mostly with university students. He probably forgot to mention that we have in this country an important group of 18 year old citizens who are on their own, who earn their living and pay taxes.

I am in agreement with the member for Skeena when he says that television, radio and other media for the dissemination of ideas have made such progress in the last 25 years that it can be said that our young people are generally more advanced today than before.

Thus, we have reason to believe that the citizen who for all practical purposes has left his home, is emancipated, legally speaking. If he goes to university, he is then attending an institution of higher learning and does not live at home any more. If, on the other hand, as I was saying, he has begun earning his living from this very moment and in a certain way he is considered as being of full age before the law and certainly in the eyes of his parents. Indeed, should a person marry before reaching 21, the mere fact of his marriage makes him fully entitled to emancipation, according to section 314 of the civil code, that is to say that the law considers him to be of full age. Moreover, section 314 of the civil code grants minors who are working the right to institute proceedings on their own behalf for recovering damages. In addition, a minor who is in business is considered to be of age in respect of any business deeds.

It is apparent that there is a tendency to emancipate those under age because it has been found by the legislator that today a youth of 18, unless he be a student, is already looking after himself. Therefore, if by what he is earning, he is having his share of the country's gross national revenue, he then becomes a buyer of goods and consequently a taxpayer. From the very fact that he is paying taxes directly or indirectly it may be argued that the minor is actually interested in public administration.

As the previous speaker said, there is a common saying, often quoted by the English and which moreover was one of the arguments for the great charter of the 13th century: No taxation without representation.

Let us not forget too that a minor who owns a car or holds a driving licence is liable to get entangled in legal situations no less seriously than those who have the right to vote.

I think it might be fitting also to add an argument that may sound rather sympathetic but is true nevertheless. Whenever the country is attacked, youths of 18 are the first called to defend it.

However, if the age of voters were brought down from 21 to 18, it would be necessary for the provincial government, at least for the government of Quebec, to amend section 324 of the civil code and set the majority age at 18 instead of 21.

Mr. Speaker, as I said, I support wholeheartedly the bill introduced by the hon. member for Skeena (Mr. Howard), and I hope that in the not too distant future our 18 year old citizens will have the opportunity to take a greater interest in politics than they do at present and that they will be in a position, not only to serve political parties in their electoral campaigns but also to make their contribution to the administration of our country.

(Text):

Mr. R. J. McCleave (Halifax): Mr. Speaker, I suppose when this question is put to each one of us we already have an opinion and then must search around in our hearts and minds to determine what basis there is for the attitude we have. This is essentially a basic question.

As I listened to the contributions made by the previous speakers this afternoon I found my mind wavering back and forth. I first took the position that there should not be a lowering of the age limit from 21 to 18 but after listening to some of the arguments advanced I changed my mind slightly but again reverted to my original position. As I talk, perhaps I will change my mind again.

Based on the earnest remarks of the hon. member for York-Scarborough (Mr. McGee) it seems to me that one could make out an equally good case for the fact that the intellectual types he mentioned should not be accorded this specific privilege. I think there are two factors which must help us to determine voting ages or voting limits. One of these is the intellectual factor, the ability to study and comprehend public issues, and the other is the levelling of experience which puts some practicality in young men or young women. I do not think that factor should be taken lightly, Mr. Speaker.

There are gifted souls, very young ones and very old ones, who are able to grope intellectually and master problems, and yet there are also a large number of people—I wish I could phrase this much better than I am doing because I am doing it rather bluntly—who decide public issues from the rather practical standpoint, namely can the country afford to take this step, or would this be too costly to the taxpayers? Somewhere in between one reconciles these two points of view and, of course, that happens all the time.

We sit here in parliament. We have the eager visionary ready to dash in and cure any ill in the world with legislation and the massive spending of public money. Then, we have those who say, whoa, the remedy is not good enough. You will kill the taxpayer while you are doing it. I would think that this school of thought must have been in the minds of the legislators of Costa Rica and of Mexico when they reduced the voting age in their countries to 18 but applied certain strictures. For example, the people of Mexico who vote at the age of 18 must be married, and those from Costa Rica who vote at the age of 18 must be married men or teachers.

Without having the benefit of reading the debates of Mexico or of Costa Rica it seems to me that the legislators there had some serious thoughts on whether a person who had reached 18 was a fit and proper person to entrust with the most sacred privilege in a democracy, namely the right to vote. I think they came to the conclusion that somebody who had to go out and work for a living, scrape together the wherewithal to support a family was such a fit and proper person because he did have a certain amount of practical experience, knew something about handling budgets and all that sort of thing. I think that is an important thought to keep in mind and that is why I said, perhaps too bluntly, and perhaps I will get myself in trouble in the next university I go to and get run up a tree, as did the hon. member for York-Scarborough, that such a person who had intellectual gifts at 18 to weigh public issues may not have the practical experience to go along with them to justify the granting of the right to vote to him.

In the May 19 proceedings of the committee on privileges and elections, at page 323, is set forth the nine countries, states or provinces where they have the right to vote at the age of 18. I quote briefly from the record. The list includes two United States states, namely Georgia and Kentucky, one Canadian province, Saskatchewan; behind the iron curtain there is Bulgaria, although they might as well give them the vote from the cradle to the grave because it does not seem to make any difference in the turnout or the ratio at the polls. It is always 99 24/100 per cent for one party. I do not know how the other votes go. Most of the other countries are in North or South America, Venezuela, Mexico, Bolivia, Costa Rica and then the Union of South Africa. Therefore, by not adopting the measure this afternoon we will not exactly be turning our backs on a large and progressive step taken in a large number of countries. As I have indicated, only nine states have

taken this step and two of them have applied certain strictures to the voting age of 18, namely Mexico and Costa Rica.

The hon. member who sponsored the bill also mentioned the matter of minority and majority, passing from the state of infancy to manhood or womanhood and said that it was purely a provincial matter. He fortified this view by some remarks made, I understand, by legal members of the committee on privileges and elections. I suppose this is a somewhat valid point except that it could cause confusion to split a person in two and say that legally he becomes of age when he is 21 but democratically he will become of age when he is 18. On balance I think it would be better to have either one or the other, that is, 18 for the legal and voting age or 21, but not both, because there is some pride in reaching manhood or womanhood and having a great measure of individual freedom. One of the great rights of freedom that we possess is that right to vote.

Then there is the question of the development of the human personality and the human body, the physical development and the physiological development. I suspect that 18 is too young an age to say that one has developed fully emotionally, mentally, physically or physiologically; perhaps 21 is too old, but I think 18 is too young.

If these thoughts still leave me in a quandary, Mr. Speaker, I would think that great care should be given to this measure. Whether we adopt it in principle or not, I still believe that the school of experience is an important one to evaluate and to take into account when we are considering the voting age of Canadians.

Mr. W. C. Henderson (Cariboo): Mr. Speaker, in speaking to this resolution I would like to say that the country I come from is vastly different from this country. Out there you can pass a farm and see a young man on a tractor. Quite often he is 15 or probably 16 years old; he might be 14. He can run a combine. He can do things that a young fellow 40 years ago, or even 30 years ago would never dream of doing.

When I was a youngster I lived in Arthur Meighen's constituency. I can remember going to political meetings throughout the country. I used to be cheer leader. They did not think we were smart enough in those days to have anything to do with politics, but we could line up at the front. They were all joint meetings in those days. Mr. Meighen was one of the most powerful speakers a man ever listened to and when it came time for him to speak we would sing: "What's the matter with father? He's all right. I used to be a Liberal strong but now I see I'm in the wrong. What's the matter with Meighen? He's all right."

That was the extent of our political persuasions in those days and naturally we took a great interest in politics. But now we have the Indians voting and the hon. member for Skeena (Mr. Howard) says that the young people should be able to vote. I come from the same kind of constituency that he does and I honestly believe that the young men and women should have the right to vote because a woman 18 years old is old enough to have a family and that is what counts. If the census had been made we could have learned a lot of things from it. I think that 18 is young but nevertheless I am in favour of the boy and girl of 18 having the right to vote. Perhaps we could reach a happy medium by setting the age at 19 or 19½.

Hon. members know what young people are like. Their ideas are vastly different from those of their elders and they are faster on the trigger. They want to get things done more quickly. About all I can say is that they should have the vote because the world is moving fast. Everything is on the go, on the jump. I hope the Conservatives will give the vote to the younger people because I am in favour of it and I am sure everybody else is.

(Translation):

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): Mr. Speaker, I listened with great interest to those who spoke either in favour or against extending voting rights to young people of 18. In my opinion, the right to vote is a sacred privilege that is used in this country after all due consideration by those who are periodically asked to elect new representatives every three, four or five years. Therefore, in the light of information they have obtained by listening to speakers at political rallies, after analysing the platforms of the parties, and often after discussing in private circles the platform of this or that party, they cast their votes according to the dictates of their conscience.

The mover of this bill showed a great interest in young people of 18 and asked us to grant them the right to vote.

I do not know whether a young person of 18 has enough maturity to use his vote in a way that is consistent with the general opinion. A party is often returned to power after a thorough analysis of the conduct of its leaders or because it has carried out its platform. The young people of today have to live in a modern era that, as was so rightly pointed out by the hon. member for Cariboo (Mr. Henderson), induces them to quicken the

pace of life. Therefore, I am wondering if we should not first of all give the young people in our high schools more schooling on the importance of the right to vote and its implications, particularly in view of the fact that a people always has the leaders it deserves. Before choosing those who will be responsible for running a country or a province, we must keep in mind that there are some responsibilities on the part of the voter, but think how much greater are the responsibilities of the politician who seeks a mandate from the people. In fact, during his term of office, he must quite often show endless devotion and courage. Well, today's youth do not show enough interest, unfortunately, in politics, because there may be a lack of information or education that prevents them from fully understanding the politician's role and duty.

Earlier, the hon. member for Beauce (Mr. Racine) referred to the effects such a franchise could have on the civil code of the province of Quebec. Majority, which is reached at 21 years of age, gives to the individual, at that time only, the legal personality which entitles him to do something of legal value. Well, when the hon. member for Beauce referred to section 314 of the civil code of the province of Quebec, which deals with the enfranchisement of under-age people, I believe that he made his point too rapidly, because an enfrachised minor is still under the guardianship of his tutor. And enfranchisement by marriage does not involve the right of absolute majority in the province of Quebec. The right of majority, as recognized and enacted by the civil code of the province of Quebec, can only be obtained at the age of 21.

Why is it that our legislators considered that the right of majority can be obtained only at the age of 21? We may wonder whether experience has not justified such a policy on the part of our legislators who considered that before that age, normally, the individual has not reached full intellectual maturity.

Mr. Speaker: I regret to interrupt the hon. member, but it is six o'clock.

(Text):

The hour for the consideration of private and public bills having expired, the house will resume the business which was interrupted at five o'clock.

CANADIAN NATIONAL RAILWAYS

QUEBEC—AUTHORITY FOR CONSTRUCTION OF BRANCH LINE

The house resumed consideration in committee of the following resolution—Mr. Balcer—Mr. Rea in the chair:

Canadian National Railways

That it is expedient to introduce a measure to provide that the C.N.R. Railway Company may construct a line of railway from a point at or near mile 72 of the Kiask falls subdivision to Mattagami lake, in the province of Quebec, and to authorize temporary loans to the company out of the consolidated revenue fund, not exceeding $9,660,000, to enable the work of construction and completion of the railway line to proceed forthwith; and to authorize the company to issue and the governor in council to guarantee securities to finance the expenditures upon the said line up to the said figure.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

(Translation):

Mr. Martel: Mr. Chairman, before the debate on the resolution dealing with the construction of a railroad to Mattagami lake was adjourned, I had pointed out my previous mention of that district, when the estimates of the department of mines were discussed at the session of 1958.

If I may be allowed a brief digression, I emphasized, in my first speech the existence of the Mattagami lake district, stating that it would become as important as the Pine Point area in the Northwest Territories.

Later on, I met some people of my constituency who pointed out that I was wrong in saying that the district would become as important as the Pine Point one. According to them, I should have said that the new sector would be more important than Pine Point.

I believe, Mr. Chairman, that the resolution before us proves that they were right in being so optimistic, for its object is to authorize the building of the railroad thus giving a final character to the establishment of the district.

I might also stress the fact that on March 11 last, I called the attention of the minister of transport of the day to a statement which can be found on page 2063 of the French edition of *Hansard* for 1960.

I believe that this resolution, when it is enacted, will help remedy the present unemployment situation to a considerable degree because of the proposed railway construction work, and the fact that it will facilitate the setting up of numerous industries in that area.

Employment in Canada, Mr. Chairman, and more particularly in the northern district, is subject to seasonal ups and downs.

It is therefore normal that the number of unemployed should increase during the winter months.

Consequently it would be essential to approve projects like this one which help open up new territories for our Canadian economy as well as prospects of a brighter future for Canada, especially for our young people.

The federal government, as everyone knows, enacted numerous pieces of legislation to curb unemployment and set the Canadian economy on the road to improvement. With the help of provincial and municipal authorities it will therefore be comparatively easy to create various temporary jobs, after those opened up by the winter works program. We expect business to pick up gradually. But this project will certainly contribute to increased employment. Because of its numerous possibilities, the proposal now before us will further help open up a good many territories, set up new industries and consequently increase employment.

In a general way, at various periods of our history, the mining industry has been subject to some fluctuations. It has had its good share of trouble. Yet, it has always managed to get out of trouble and take on new impetus. There are very extensive mineral deposits in the lake Mattagami area. As my colleague from the neighbouring riding pointed out in detail this afternoon, rather large deposits are to be found especially on the properties of the Mattagami Lake Mines, of the New Hoscoe Mines and the Orchan Mines. Up to now those three companies are the ones which have discovered the main deposits in the area.

Other companies too have made exploratory work and spent huge amounts of money for that purpose.

Other companies still might yet be successful, such as the Garon Lake Mines, east of Bell river.

All those companies, including the first three I mentioned and the Garon Lake Mines, have already found about one billion dollars worth of minerals in the area.

There are still other possibilities because many other mining companies have undertaken exploration work. I might even say that last fall a company made a new discovery some 30 miles west, according to the map I have here, southeast of lake Watson. This discovery which was mentioned during the debate this afternoon is likely to become rather important.

I think that the branch line that is being built right to the centre of this new mining district could be extended as far as Harricanaw river, up to the Joutel township where this other discovery was made.

There are also other great possibilities of forest development in this vast area where large forests are still untouched.

There are also opportunities in the basin of the Allard river where new parishes may be established in a few years. In this territory, the land is highly suitable to agriculture and the climate is unusual, even a little better, I have been told, than in the southern part of Abitibi.

No doubt, because of the elevation in the neighbourhood of the Allard river in relation to sea level, the altitude is not as high as in the vicinity of La Sarre, Macamic, Amos or Senneterre.

Mention has been made also of the possibility of building a zinc refinery there, if possible, which would bring about an increase in population and the establishment of other secondary industries. Some neswpapers recently referred to the possible addition of a zinc refining unit at the Noranda mine, right in Noranda which is located in our area.

This would be better than nothing, of course, but the ideal solution for the future of the north and of this region especially would be the building of a local zinc refinery.

If a refinery were built, a city as large as Rouyn-Noranda could spring up in this vast territory of Abitibi.

There are still great possibilities to the north, as was pointed out this afternoon, and more especially along the Bell river and other rivers farther north, namely Bell river which becomes Nottaway river north of lake Mattagami, and also the East Main, Rupert and Broad Back rivers. In fact, they all have a vast potential for power production.

I am sure that this railway will be a first step toward the building of a line into James bay which should also be opened on the Quebec side. And that is the wish of the great majority, indeed of the entire population of northwestern Quebec.

I might also mention at this stage another kind of project which made headlines last year and this fall, and particularly since the opening of the new session, and I mean the Harricanaw waterway project. This project is still under study so to speak, but I think that before too long, it will command the special attention of the proper authorities, let alone the fact that it could easily be linked to the development of this vast territory, the success of which could be facilitated by the new railway, particularly if it were extended to James bay.

Before concluding my remarks, I would like to deal briefly with a particular point which was raised in the house a while ago. I raise this question because this afternoon, I listened to the hon. member for Port Arthur (Mr. Fisher) who rather seemed to favour this project. This is a change in relation to what another member of his group,

the hon. member for Timiskaming (Mr. Peters) said in the house on May 23, 1958 as can be seen in *Hansard* for May 23, 1958.

The member for Timiskaming was then referring to the transfer of the Canadian National shops from Cochrane to Senneterre, due to the construction of the new branch line into Chibougamau. As a matter of fact, the new line to lake Mattagami would come under the new division in Senneterre. That is why I consider it advisable to mention the matter here, because there are in that text assertions which are altogether inaccurate and which must be corrected, in fairness, not only to the courageous population of Senneterre, but also to the entire population of Abitibi and to the proposed construction of the railway to Chibougamau.

Here is, in part, what he said on May 23, 1958, page 417 of *Hansard:*

For five years, the shop has serviced all the diesels and equipment operating in that division and the division in Quebec. It is now servicing 20 units a month and, with very little additional expenditure, those facilities could service 40 engines, more than are required in that area. To complete the modernization of the round-house would cost very little, but it is estimated it would cost about $1 million to build a new shop in Senneterre. This would represent $1 million more to be added to the loss which Canadian National is now incurring, in addition to these people being asked to move into a town which has no housing, no suitable schools and no facilities in general for their reception. They are being asked to leave a place in which they have lived for many years, the reason given being that a new line has been built north into Chibougamau. I think anyone who has studied the financial papers during the last year will appreciate that if there is no change in the basic price for copper, that line will not be of much value to anybody. If copper prices fall much further, the tracks will be rusting before very long.

Mr. Chairman, I was anxious to challenge the unkind statement made about the town of Senneterre in my riding. Senneterre is directly connected to the new railway branch line toward lake Chibougamau and it will profit by it. This is a city which has prospered a great deal over the last years, and particularly since the war. A radar station was built there by the R.C.A.F. It is therefore untrue that the town lacks any of the required facilities, such as schools, streets, or sidewalks. Nothing is further from the truth, and I had to challenge such an incorrect statement.

I now wish to say a few words about another point, which in this case was raised this afternoon. I refer to the construction of a paper mill at Mattagami lake.

It has been stated in this house that the building of such a mill had been prevented by Mr. Duplessis. I have here the 1959 report of the committee on mines, forests and waters and I can show that such was not the case.

During a sitting of the committee, on May 19, 1959, while evidence was being given by Mr. M. Ambridge, president of the Abitibi Power and Paper Company, I asked Mr. Ambridge a question pertaining directly to the building of that mill. Mr. Ambridge, having said that he had been contacted about it, added the following which I quote from the minutes of proceedings and evidence of the committee on mines, forests and waters, No. 23 dated May 19, 1959:

I would say yes, in certain cases. I have in mind one in particular, in the province of Quebec. I cannot recall the name of the lake.

I thereupon suggested the name Mattagami and he said: Exactly, that is the area because the site proposed for the mill was too far away from transportation and no means of communication were then available. However, this problem will no longer exist after the construction of this branch line.

Mr. Chairman, I wanted to straighten that out and if hon. members are interested in the report, I gave the date and they can easily refer to it. They will find that the directors of those companies could see no advantages then in building a mill at that place, not because there were no forest resources available—the contrary has been very well shown this afternoon—but because the place was too far away from transportation and because the climate precluded any quick growth of the forest. That was, in fact, Mr. Ambridge's statement before the committee.

Mr. Chairman, before I resume my seat, I want to pay tribute to the gigantic work performed by the pioneers in these vast territories. As a matter of fact, this area is more or less making its first appearance on the map and is just beginning to be spoken of. I think I am not exaggerating when I say that such a result is not the work of one man or of one government only. It is rather the work of a group of bold and clever men who settled in Abitibi, prospectors, engineers, mining promoters, professionals, forest workers, businessmen, farmers, and workers in all trades who made the development of our region possible.

It is to these pioneers that credit should be given for developing and expanding this

part of the Abitibi. Not only should they be congratulated for it, but tribute should be paid to them, because there is still so much land yet to be developed, from the inhabited portion of Abitibi up to the James bay area. The possibilities of the area are outstanding and we are just beginning to be aware of them.

Thanks to the new railway, the first step will have been taken and the development of these lands will be continued up to James bay. Our region will then experience a great revival that will profit not only the region itself but also the daring youth of the province of Quebec.

Mr. Chairman, it must be recognized that our young men and women have shown that they are capable of initiative.

I am just back from a visit to the mining cities of Chibougamau and Chapais in the northern part of my riding. Ten years ago these towns were non-existent. I am sure that following the construction of this branch line, numerous mining cities will be established, where our youth will turn to account their skills and contribute to the development not only of this region but of the province of Quebec and of the whole of Canada.

Mr. Asselin: Mr. Chairman, like every other member, I rise tonight to commend this government for the excellent plan provided by the resolution under discussion.

I think it is an eloquent refutation of the claims made by the opposition that the Conservative government is doing nothing.

This government realizes the importance of the northern development and is proving it by undertaking the construction of a railway as important as the one provided for in this resolution, that is from a point close to mile 72 to lake Mattagami.

Even if the Liberal party, through the hon. member for Laurier (Mr. Chevrier) still wants to suggest to the people that this project is a result of the Liberal administration, the fact remains that the project is being carried out under a Conservative government and I predict right now that it will also be operated under a Conservative administration.

Whenever he refers to some achievement of the present government, the hon. member always attempts—and this is possibly a peculiar quirk on the part of members of the opposition—to belittle accomplishments by saying—

Mr. Bourget: Mr. Chairman, I rise on a point of order. I have no objection to letting the hon. member for Charlevoix carry on in that vein, but if he is allowed to play politics or to raise political matters or to digress from the subject matter, I should hope that we will be granted the same privilege.

Mr. Tremblay: Mr. Chairman, on that point of order, I would like to point out to the house that this afternoon, the former member for Stormont, that is the present member for Laurier, was granted all the latitude required to deal with the subject matter of the resolution introduced by the Minister of Transport (Mr. Balcer). He then had the opportunity of examining various aspects of the whole railway policy and I would like to see the hon. member for Charlevoix get the same opportunity.

Mr. Chevrier: Mr. Chairman, again on this point of order, I cannot permit the hon. member who has just taken his seat to give his own peculiar version of what took place this afternoon.

This afternoon's debate was confined to the resolution under discussion and to nothing else.

If I dealt with other matters, it was only in reply to interruptions by the hon. member for Roberval and other Conservative back benchers.

Mr. Balcer: Mr. Chairman, I should like to make a few remarks on that point of order.

I want to point out to the hon. member for Laurier that he read verbatim from a speech by the Prime Minister (Mr. Diefenbaker) and from speeches by some other ministers, and what he tried to establish in this house was that the Prime Minister's statements on the government's railway policy were not accurate, and that the figures quoted were likewise inaccurate.

I believe that he wandered away from the subject far more than the hon. member for Charlevoix is doing at this moment, because the latter is precisely talking about railways, and he has only started his remarks.

I would think that the hon. member for Charlevoix is not the least bit out of order when he points out to the house the fact that this government is doing its share in the development of railways in Canada.

Mr. Chevrier: Mr. Chairman, I did not object to what the hon. member for Charlevoix has said, at least up to this moment, and I have no intention of doing so. However, I wanted to make this point, so that the hon. member who has just taken his seat could not later on claim that I did not stick to the matter at hand. If I did not, it was because of the interruptions of Conservative back benchers.

Mr. Tremblay: You lost your temper.

The Chairman: Order. I was not in the chair when the hon. member for Laurier spoke this afternoon. However, from what I have heard of the discussion, it seems to me that hon. members covered quite a lot of ground and the hon. member for Levis will admit that it is difficult, without considerably restraining freedom of speech, to keep hon. members from talking politics or raising political matters in this house.

I must say that up to now at least it seemed that the hon. member for Charlevoix was attempting to refute the arguments put forward by the hon. member for Laurier. So far, I cannot see that he has gone beyond the scope of the measure.

Mr. Bourget: Mr. Chairman, I made that remark only to have an opportunity to reply to the hon. member for Charlevoix. I have no objection, if the hon. member wishes to get into that, I will be pleased to hear him.

The Chairman: In any case, I would suggest that we settle problems as they arise.

Mr. Asselin: I wish to thank the member for Levis (Mr. Bourget) for allowing me to continue my remarks with the consent of the house. I really believe that we on this side of the house, will give members of the opposition every opportunity to reply to our remarks. But when the members of the opposition indulge in petty politics, we should also be given an opportunity to reply.

Therefore, Mr. Chairman, I was saying that when the member for Laurier discusses an achievement of this government, he always tries to belittle the work of the government by saying that consideration of the proposal was started under the former administration. In my opinion, if there was a member of the opposition who at the time reminded the Liberal administration of its responsibilities in relation to the construction of a railway line, that member was the then member for Three Rivers who is now Minister of Transport (Mr. Balcer). He never passed up an opportunity to demand that the Liberal government of the day build a branch line that would in due course bring about the development of northern Quebec. If the Liberal government had then met its responsibilities in the field of railway construction, the mining companies might have undertaken the development of that area 20 years earlier.

The hon. member for Laurier's assertion that the Mattagami branch line was not planned by the former government because geological surveys had not been completed makes no sense. The government should not wait until mining development has reached the half-way mark before taking action and contributing to its expansion. That is why the present administration, and I would also add, the member for Chapleau (Mr. Martel), deserve the highest praise for bringing about the construction of the Mattagami branch line.

While we are discussing railroad building, I would like to tell the Minister of Transport that I think urgent consideration should be given to building, in the near future, a railway linking the north shore and La Malbaie. I think there is not one hon. member of this house who is unaware of the huge development of our natural resources in northern Quebec.

The 1957 mining production reached $120 million, or 23.5 per cent of the total production of the province of Quebec, which amounted to $465 million.

By 1970, it is foreseen that 53 million tons of ore will be shipped from the north shore. Since 1952, the tonnage shipped has increased sixteenfold, topping 14 million tons in 1956.

Turning to hydraulic resources, they now represent 110 million horsepower, but this total could be increased by more than 4 million horsepower if the potential power of the Hamilton falls, Labrador, were put to use on the north shore. It is also believed that by 1970, more than 5 million horsepowers will be available following the development of the Bersimis and Manicouagan rivers.

I mentioned in 1958 that the industrial mining value amounted to $225,000,000 for the year 1957, and indications are that it will reach the $500,000,000 mark in 1970. All those developments on the north shore have induced industrialists to invest capital which will be

of the order of hundreds of millions additional dollars in 1970.

However, transportation facilities for this iron ore from the Quebec northlands is completely inadequate. We have had evidence, this winter, that water-borne shipping was difficult and in several instances almost impossible.

Mr. Chairman, the north shore population was 62,000 in 1957, and is expected to be over 100,000 by 1970.

The Chairman: Order.

Mr. Asselin: Mr. Chairman—

The Chairman: May I ask the hon. member for Charlevoix to address himself more closely to the business at hand.

Mr. Asselin: I am coming back to it, but first, may I express the hope that the wishes of the Minister of Transport will come true and that he will do likewise for the northern districts and the Charlevoix area. I would ask him to set up a committee of consulting engineers who would consider the possibility of building such a railroad.

I hope the construction of the Mattagami railroad is the first step in a broad program of railroad development. While the member for Laurier states that the former Liberal government made a contribution in this field, the fact remains that the Liberal government left various economic areas in Quebec undeveloped. In my view, Liberal policy in this respect was lackadaisical and shortsighted, in relation to what was done in other provinces.

The hon. member for Laurier, in summing up the record of the former Liberal government this afternoon, made a great show of the fact that his government built 700 miles of railroad in the province of Quebec. What a record, Mr. Chairman.

Mr. Chevrier: On a point of order, Mr. Chairman. I did not say that. I stated that when we were in office we built 685 miles of railroad throughout Canada.

Mr. Asselin: That is even worse, Mr. Chairman. The hon. member for Laurier has corrected me and said that his government built 695 miles of railroad throughout Canada. If you divide it by 22 years, it is only 31.6 miles of railroad per year, whereas the Conservative government built 60 miles in a single year.

[Mr. Asselin.]

Mr. Chevrier: Mr. Chairman, on a point of order. What I said just now was in reply to the Minister of Agriculture (Mr. Hamilton), who stated that for 50 years no railway lines had been built in Canada. It was to prove the minister's ignorance.

Mr. Asselin: Following the correction made by the hon. member for Laurier, I just want to establish that the Liberal government did not do much when it was in power.

As I said before, Mr. Chairman, the Mattagami railway is, I hope, only a start in a vast railway program, which will promote the expansion and development of those Canadian districts which are far from the large business centres.

Mr. Bourget: Mr. Chairman, as I said earlier today, with this bad cold I did not intend to take part in this discussion. However, having heard the hon. member for Charlevoix accuse the Liberal party of doing nothing, I just remembered that during—

Mr. Asselin: On a point of order, Mr. Chairman. I never said that the Liberal party had done nothing, I said it had not done enough, which is different.

Mr. Bourget: That is more or less the same thing, Mr. Chairman. I am no lawyer, just a plain engineer, and I thought the kind of argument the hon. member brought up a few moments ago was rather strange when he stated that the Liberal administration had only built 685 miles of railroad in 22 years. I do not know whether such arguments are used in the law courts, but I think no sensible man should resort to them because the minister now suggests for the first time—

Mr. Asselin: I never said that.

Mr. Bourget: I did not interrupt you a moment ago—

An hon. Member: Yes.

Mr. Bourget: I did not interrupt the hon. member just now. I think that sort of argument is not valid, because it is the first time that the minister and the Conservative party have suggested the construction of a branch line.

Moreover, if that line can be built today, it is because the Liberal party thought of building a railway from Barraute to St. Felicien, in Roberval county. And if the Liberal party had not thought of building

that railway, it would today be impossible for the Minister of Transport to suggest constructing a branch line from Kiask falls to Mattagami.

The hon. member for Charlevoix blamed us a few moments ago for not having done anything. Well, our hon. friends have now been three and a half years in office and I have here, Mr. Chairman, a statement made in Matane by the predecessor of the Minister of Transport, during the 1958 electoral campaign, as reported in *Le Soleil* for March 18, 1958. Here is what the former minister of transport, who is now Minister of Trade and Commerce (Mr. Hees) stated when addressing constituents of Matane:

Today, it is your responsibility to vote for yourself by voting Conservative, because you know that the Prime Minister, the Right Hon. John Diefenbaker, has pledged to spend $1,185,000,000 in 1958 to develop our natural resources throughout Canada. Now, projects connected with the port of Matane and your railway are part of the program—

And the federal minister added: I know right now that you will vote to obtain those projects just as we, on our part, will be happy to award them to you as soon as we are returned to power on March 31 next.

Mr. Martineau: Mr. Chairman, on a point of order. In my opinion, despite the phonetic similarity between the word Mattagami and the word Matane, there is no similarity whatsoever between what the hon. member discusses now and the subject matter now before the house.

Mr. Bourget: Mr. Chairman, it is for a specific reason that I am making these observations. The reason I rose was because the hon. member for Charlevoix spoke, because I did not intend to participate in this debate since the situation had been intelligently explained by the members of our party. The hon. member for Charlevoix had the right to speak just as I have the same right. The same measure of justice must be applied to the hon. members of the opposition and to the government members.

Mr. Pigeon: You have a wrong concept of justice.

Mr. Bourget: You are not the one to teach me what justice is.

Mr. Pigeon: Nor shall we learn it from you or the hon. member for Laurier.

The Chairman: I think it is normal that hon. members be allowed to answer arguments put forward by members from either side provided it is not overdone. I am sure that the hon. member for Levis will not overdo it and that he will not go any further than necessary to support his arguments.

Mr. Bourget: Mr. Chairman, you know as I do that I did not overdo it. If there was any exaggeration, it was on the part of the previous minister of transport (Mr. Hees) when he made that promise to the voters of Matane before the last elections. And I quote further:

And the federal minister added: I know right now that you will vote to obtain those projects just as we on our part will be happy to award them to you as soon as we are returned to power March 31 next.

That is to be noted, because it is of particular interest for the new Minister of Transport. Therefore I would urge him when he gives his instructions concerning those works in the harbour and the railway—

Mr. Chairman, the hon. member for Gaspe (Mr. English) is now at his place and every session—

Some hon. Members: Oh, oh.

Mr. Bourget: If you would only listen to me for a little while—I kept quiet when you spoke—listen to me because I do not make a habit of interrupting you.

I was saying, Mr. Chairman, after realizing that the hon. member for Gaspe is now at his place, that I remember hearing him on several occasions urge his government and his party to build that railway which had been promised. In fact, that promise was made during the electoral campaign and God knows with what eloquence. I was not there when the Minister of Transport spoke—

Mr. English: Is is not true that the railway between Matane and St. Anne des Monts was promised for twenty-two years by the Liberal party which never built it? The Conservative party will certainly be the one to build that railway.

Mr. Bourget: Mr. Chairman, it is always easy, as you know, to say that the Liberal party made promises. But I challenge the hon. member for Gaspe—he is now in his seat—to quote a newspaper article in which the former member for Gaspe, the Liberal party, the former minister of transport or his successor are said to have promised to build the railway between Matane and St. Anne des Monts. I challenge him to do so.

Mr. English: You were not in Gaspe at the time of the election.

Mr. Bourget: No, I was not there at the time.

The Chairman: I think the hon. member for Levis will admit that it is about time we should get back to lake Mattagami.

Mr. Bourget: Lake Mattagami is a bit far from Ottawa but I have no objection to coming back to it. However, the hon. member for Gaspe asked me a question, and I challenge him to quote a word to the effect that the former member for Gaspe, or the government, or the former minister of transport have promised to build that railway there, as the present Minister of Transport promised in 1958.

Mr. English: Mr. Chairman, it is so true that this railway was promised for 22 years and the voters in the Gaspe constituency got so sick and tired of it they ousted the government in 1957.

Mr. Bourget: Mr. Chairman, after 22 years it is perhaps reasonable that people should consider a change of government; but I can tell the hon. member for Gaspe that the people of his constituency will also change their member at the next election.

Those are the remarks which I wanted to make. Perhaps the minister could give us some explanation on that matter.

I put the question to him the other day concerning the purchase of the Canada Gulf and Terminal Railway. I put the question to him on February 2, but as yet I have received no answer. Perhaps he could take this opportunity to answer my question.

In fact, I believe he has to go to Matane. I do not know whether he will make the same promise as did the former minister of transport. He would be well advised to elaborate on that rather than make all kinds of statements, as his colleagues have been doing for the last few weeks. He should tell us exactly what he intends to do and stop blaming the former government for having done nothing.

Some hon. Members: Order.

Mr. Bourget: Mr. Chairman, I know I am against the rules, but no more so than the previous speakers. In fact, we all strayed a little from the matter under study.

Those are the remarks I wanted to make, Mr. Chairman. I apologize if I have been against the rules. And I hope the minister will tell us, before going to Matane, what he intends to do to develop that area and particularly if he intends to build the railway between Matane and Ste Anne des Monts.

Mr. Tremblay: Mr. Chairman, I just heard the hon. member for Levis apologizing for being out of order. I do not think he should make any excuses. In fact, since he is usually rather dull, the irrelevant remarks which he just made formed the best part of his speech. There was a certain liveliness on his part, which is to his credit. I wish he would show the same vitality in his future speeches.

Mr. Chairman, I should like to make a brief contribution to this debate since my constituency is directly linked with this region which will benefit by the measure introduced by the Minister of Transport (Mr. Balcer).

I should like to tell the minister that the introductory speech he made this afternoon will certainly not deserve to be described as an anti-Quebec speech like the one made by the previous hon. member for Stormont on May 19, 1954, when he dealt with the question of the St. Felicien-Chibougamau railway.

I want to congratulate the Minister of Transport, on behalf of the voters of my constituency, who, I am sure, will benefit by the construction of a railway which will supplement the one that already exists and will benefit the whole Chicoutimi and Lake St. John region.

Mr. Chairman, the bill introduced by the Minister of Transport is progressive. As a matter of fact, it is a progressive measure because it comes in due time and because the Conservative government did not wait to the very end to give an industrial region the facilities it needs for its development. We, of the Chicoutimi, Lake St. John and Chibougamau region, know from experience what administrative delays, and I dare say, the former government's lack of interest did cost us not so long ago.

Our region is particularly rich in mining resources. During the last 15 years, the government of the province of Quebec has made superhuman efforts to enable this region to develop its mining resources.

To that end, we needed communication facilities, especially railroad lines, because

the region, being distant from the great centres, had to be connected with them by communication facilities, by adequate transportation facilities. We had to wait—and I refer more particularly here to the mining region of Chibougamau—for years before the Liberal government decided to build the railway we needed to carry the Chibougamau mining wealth to the Chicoutimi and Lake St. John region, as well as to the province of Ontario.

After having decided to give us that railway, the Liberal government haggled for months and wanted to deprive us of the benefits that would have meant for us the speedy construction of a railway, by deciding to build first the section that was to connect Chibougamau to Beattyville, and therefore, to the province of Ontario.

It had been decided to build the Chibougamau-St. Felicien line after the other one, and it is only after public organizations and various representative associations of our area and economic groups had brought pressure to bear that the government decided to change its way and agreed to build, or at least said it was to build both lines simultaneously from Chibougamau to Beattyville and from Chibougamau to St. Felicien.

In spite of the assurance that was given to us, we, of the Chibougamau and Lake St. John region, had to wait for more than three years for the completion of the Chibougamau-St. Felicien line.

That is why I was surprised this afternoon to hear the hon. former member for Stormont criticize the Conservative government—

Mr. Chevrier: Mr. Chairman, I think, that you should once and for all—

Mr. Valade: Are you rising on a point of order?

Mr. Chevrier: Yes, I rise on a point of order.

I say that we must not designate a member or the representative of a constituency by his former constituency. In fact, according to the rules of this house, the hon. member must refer to the member for Laurier and not to the former member for Stormont.

So I would ask you, Mr. Chairman to enforce the rules in this matter.

Mr. Pigeon: That is exactly what you are saying.

The Chairman: Order. I believe the rules of this house state that a member has to be designated by the name of his present constituency, and not by that of his former constituency.

Mr. Tremblay: Mr. Chairman, I am quite willing to designate the hon. member for Laurier by his adopted constituency, but I was simply trying to use this expression to awaken in the always warm heart of the hon. member for Laurier that fondness that no doubt he still has—at least, I hope so—for his former electors of Stormont.

But, Mr. Chairman, that is not the subject matter of my speech. I was saying that our region, because of the delay caused by the then Liberal government in the construction of the Chibougamau-St. Felicien railway, has been deprived of economic advantages, of which all public organizations have noticed the unfortunate effects.

This is the reason why the remarks of the hon. member for Laurier, as we say, did not make much of an impression on me this afternoon.

I found, Mr. Chairman, that his indignation at the Conservative party's attitude was certainly not inspired by a true knowledge of the actual facts and, in particular, by a precise knowledge of past events; he used a quite valid argument in favour of the Mattagami railway, that is, the Mattagami region is a marvellous industrial region and one of the most promising of our province.

I quite agree with that, Mr. Chairman. But if this argument is valid in 1961, I wonder why it was not so in 1954 and 1955, when we discussed the very great mining potential and the tremendous resources of Chibougamau.

The argument he put forward this afternoon was precisely the one used in this house in 1954 by the former member for Chicoutimi (Mr. Gagnon), when he called for the immediate construction of the railway between Chibougamau and St. Felicien.

We are then led to believe that the phrase "promising area" has changed its meaning since the hon. member for Laurier has changed his place in this house.

In the debate during which the speech of the hon. member for Laurier was described as anti-Quebec, reference was made—

An hon. Member: Mr. Chairman—

Mr. Tremblay: Reference was made, with supporting figures, to the mining potential of the Chibougamau area. To that, the hon. member for Laurier replied, in order to justify his government's intention to build first of all the Chibougamau-Beattyville line, that the other link was not then considered a paying proposition. It was a case of determining an industrial potential which later proved very important.

Today, the hon. member for Laurier is using the same argument to tell us that the Conservative government is doing the proper thing in providing the Mattagami area with all possible advantages, in building a railway.

Well, Mr. Chairman, I wish he had been as generous to the electors of our area when he decided that the Chibougamau railway should be built.

That is why I feel that the Liberals are ill-advised today to reproach anything to the Conservative party in the field of railways, precisely because the Conservative party is now proposing a measure all the more efficient because it is timely and that the operators of the Mattagami area will not have to wait as long as we did, at their own expense. Besides, economists are of the opinion that the recession which has affected the operations of the Chibougamau area was partly due to the delay in the construction of that railway.

In 1958, during the election campaign, I heard people detached from all political parties discuss the matter and use the arguments I have just put forward.

We, from the lake St. John and Chicoutimi area, are perfectly aware of the result of the Liberal government's carelessness.

A moment ago, the hon. member for Levis (Mr. Bourget) referred to the promises made by the Conservative party, and quoted the speech made by an hon. minister in this house.

How many times shall we have to repeat to the Liberal party that it has deluded the people. I come from an area where Liberal promises were made. We were promised, year after year, that the Chicoutimi-Quebec railway would be rebuilt.

Mr. Bourget: What are you doing now?

Mr. Tremblay: We were promised, year after year, that this railway line would be rebuilt. We made that request at a time when, the project was considered self-sustaining, that is to say during the best years of that artificial prosperity of which the Liberals benefited, that is during the war and immediately after the war. We then asked the Liberal party to rebuild the Chibougamau-Quebec railway, at a time when the project was self-sustaining.

Mr. Bourget: Would the hon. member permit a question? You have been in office three and a half years—

Some hon. Members: That same tune again.

Mr. Bourget: As far as you are concerned, you always have to retract, and you know it. Then, please shut up. You know that the Hon. Gerald Martineau has already told you to do so.

Mr. Chairman, I would like to address a question to the hon. member for Roberval (Mr. Tremblay): You have now been in office three and a half years; have you made any changes in the Quebec-Chicoutimi line? Have you changed anything at all?

Mr. Pigeon: It is not after a few years in office that we can repair 22 years of inactivity.

Mr. Bourget: Naturally, you cannot even correct the mistakes you have made since you are in office.

Mr. Tremblay: Mr. Chairman, I am very glad that the hon. member for Levis put that question to me. It will allow me to say that, since we took over, through pressures from our colleagues and the co-operation of the members of the Conservative government, we have obtained a marked improvement of the railway service on the Quebec-Chicoutimi route.

Ask the experts, look at the timetables, look into the freight problems on the Chicoutimi-Quebec line and you will realize the marked improvements the Conservative government has carried out in that field. However, it is right to say, as did one of my colleagues, that we cannot repair in three and a half years 20 years of neglect and maladministration.

Mr. Bourget: Is that what you undertook to accomplish?

Mr. Tremblay: Mr. Chairman, let me tell the hon. member for Levis that no member of the Conservative government came over into my riding, in 1957 or in 1958, to make promises. We promised the people that we would improve the condition of the Chicoutimi-Quebec railway, and that is what we have done. You could not find a single regular passenger, or any commercial traveller using that railway, who would not admit there has been improvement.

I am sure that in the future, the Minister of Transport, who looked into our problems, —the problems referred to him by my constituents in Chicoutimi and Lake St. John —will carry on the work undertaken by this government so that, as I said, we in the Chicoutimi and Lake St. John area will enjoy the share that was denied us by the Liberal party.

I am not afraid to say so in this house, because all the economic groups in our area, and all the organizations too, have for years deplored the Liberal government's lack of action in the matter of our railways.

That is why the sentimental rantings of the hon. member for Laurier leave me cold. He used the same stlye in 1954 when turning down our requests. I have here a statement which proves his knowledge of constitutional problems. Here is what he said, and I quote page 4890 of *Hansard* for May 19, 1954:

> My hon. friend is very much interested in the development of his own district; may I tell him this: it will cost $17 million to build the eastern section, that is the section from St. Felicien to Chibougamau.
>
> Now, if the government of the province of Quebec wants to pay half the cost of that project, that is to say $8½ million, I pledge to ask the Canadian National to spend the other half, which is $8,500,000. We shall see now who is sincere.

A haggling policy, Mr. Chairman, on an absolutely vital matter, on a question which is quite essential for our area. The hon. member for Laurier was haggling when he said to the government of the province of Quebec: "Co-operate with us, give us $8 million and we shall supply the rest to build that railway", which you need.

Yet, at that time, the government of Quebec had done its share, because it had built the highway and approaches to St. Felicien at Chibougamau to facilitate the development of our natural resources. We needed a railway. It was the federal government's responsibility. But all the federal government did was to suggest a petty bargain.

The present government's attitude is quite different. There is no haggling in that.

And what does the Minister of Transport do today? He suggests a positive legislation which will have the best effect for our area and which, as I say, is only efficient because it comes at the right time, and I am well placed to know what untimely legislation costs.

Mr. Chairman, before concluding my remarks I would like to deal, I would not say with a point, but with an angle—

An hon. Mmeber: A comma.

Mr. Tremblay: —an emotional angle in the speech of the hon. member for Laurier—

An hon. Member: Do swallow that angle.

Mr. Tremblay: —of the hon. member for Laurier, who made a great fuss in this house when speaking of the achievements of the pioneers in the Mattagami area, for which I would, indeed, commend him. He very briefly mentioned the problem of building a railway at Port Cartier, at Gagnon, but he was very careful not to mention the name of, nor describe the man who did not try to hand over his responsibilities to others when it was a question of developing new Quebec. I am thinking of a great Canadian, of the Hon. Maurice Duplessis, who turned his province into one of our most important industrial areas.

Mr. Meunier: He is dead now, leave it at that.

Mr. Tremblay: The hon. Mr. Duplessis made up for years of previous neglect; he wanted his province to take its rightful place in the industrial field.

An hon. Member: With "Jerry" Martineau.

Mr. Tremblay: Mr. Chairman, allow me to express my scorn at the untimely, cheap and narrow-minded remarks made by the primates on this side of the house; and if they do not like that term, I could use the word prognathous, which has about the same meaning.

Those gentlemen are concerned with commas and semicolons. They should look more often at the dictionary; they would find words and adjectives that need no period, comma or semicolon.

Allow me, Mr. Chairman, to scorn those cheap remarks that are just an expression of spite, such as I heard in certain speeches this afternoon. Some hon. members feel spiteful because the Conservative government is taking, for an area in the province of Quebec, action that had not been taken for our particular region of Chicoutimi and Lake St. John, or that was unfortunately taken too late to be as effective as we would have hoped.

I am sure that the people of my constituency, as well as those of the neighbouring constituencies of Chicoutimi, Lake St. John and Lapointe, will benefit to the same extent as the people of Chapleau from the railway the Conservative government has just decided to build.

An hon. Member: It is not decided yet.

Mr. Tremblay: I am sure of one thing, though; this government's bill will not deserve, I repeat, to be called an anti-Quebec measure, as did the speech made by the former hon. member for Stormont on May 19, 1954.

Mr. Dupuis: Mr. Chairman, I had not the least intention of taking part in this debate, but I rise for a minute or two just to show to the house that the member for Roberval (Mr. Tremblay), just as a young dandy, has just taken a few minutes of the house to deal in his sanctimonious voice not with the Mattagami railway, but with the hon. member for Laurier.

Well, Mr. Chairman, as he usually does, our learned Geronte's abomasum has ruminated over silly allopathic arguments.

Mr. Chairman, if our learned colleague from Roberval does not fear to get the boot somewhere some day—

An hon. Member: Please, talk French.

Mr. Dupuis: —he is quite unrealistic.

Of course, in order to be understood by the hon. member for Montmagny-L'Islet (Mr. Fortin), I would have to talk slang, but I intend to talk good French.

Mr. Chairman, the hon. member for Laurier spoke objectively this afternoon on the resolution now before us. He supports the motion on which we are asked to vote.

The hon. member for Villeneuve (Mr. Dumas) made a very serious speech. So did the hon. member for Chapleau, and I commend them.

But we have just heard the hon. member for Roberval, who has again tried to startle the House of Commons with expressions borrowed from some retired professor.

Well, Mr. Chairman, I do not intend to speak at length—

Mr. Fortin: You have already spoken too long.

Mr. Dupuis: —but I wish to tell this house that when he was minister of transport, the hon. member for Laurier was the most diligent, active and competent minister ever known in this House of Commons.

Mr. Chairman, it might be appropriate to ask the hon. member for Roberval to stop playing—

[Mr. Tremblay.]

Mr. Asselin: Mr. Chairman, on a point of order. I feel that you allowed enough leeway to the hon. member for Laurier and myself to deal with the resolution. However, so far the hon. member for St. Jean-Iberville-Napierville—

An hon. Member: He is off the track.

Mr. Asselin: —did not address himself at all to the subject matter. He is out of order and I feel that he should immediately revert to the question of the Mattagami lake railway.

Mr. Dupuis: Mr. Chairman, if there is an hon. member who should never raise a point of order, it is the hon. member for Charlevoix, who was completely beside the subject matter of the debate a little while ago. Anyway, I only have a few seconds to go.

I know that it hurts them—

Mr. Fortin: We are not hurt, we are ashamed of you.

Mr. Dupuis: —but I simply wish to remind this house that the hon. member for Laurier did so much work in that field that now the Conservative party can only carry on the work undertaken by the Liberal party, which we will resume in any event when we come back to power again in a year or two.

If the hon. member for Roberval has seen fit to remind us that the great Mr. Duplessis developed the mines, I feel that it was a little inaccurate and out of order. In answer, I shall tell him that if one ever prevented the Quebec people from taking advantage of the development of those natural resources, Mr. Maurice Duplessis was the very one to do it. And if I had been an ordinary supporter of a party which allowed our natural resources to be handed out to the Americans in exchange for a mess of pottage for a period of 50 years, I would not come back here tonight and make such statements in this House of Commons.

It would be a good thing to ask—

Mr. Balcer: Mr. Chairman, on a point of order. I wonder whether it would not be possible to come back to Abitibi, and talk a little about the construction of that railway and of the Mattagami mine. The debate would perhaps be more interesting.

The Chairman: It is my clear impression that all railways brought us back to Mattagami lake, and I imagine that the hon. member for St. Jean-Iberville-Napierville will also manage to find his way.

Mr. Fortin: We would have to tell him.

Mr. Dupuis: Mr. Chairman, if the hon. member for Roberval had kindly abandoned his amphigoric role, I would have been delighted to stick to the discussion. But I simply wanted to point out that, once again, he was beside the point. We want to support the project, and we are delighted to do so, but we fail to see how the hon. member for Roberval could take the floor, not to talk about the Mattagami lake railway but, to attack the hon. member for Laurier, whom he and his colleagues constantly attack, because he overshadows them, not only in Quebec, but in the whole of Canada.

(Text):

Mr. Creaghan: Mr. Chairman, it is unusual for a member from the Atlantic provinces to attempt to participate in such a debate. However, having a great interest in railway problems and particularly problems concerning the C.N.R., I feel it is proper for me to add a few words at this time.

In opening my remarks I wish to first of all congratulate the hon. member for Chapleau for his wonderful contribution to this debate. The hon. member in question is a resident of this area under discussion and has done much for the development of this part of the province of Quebec.

We have had many outstanding speeches on this resolution, particularly the speech of the hon. member for Roberval, which covered very well the background of the railway problem in this area.

Earlier today the hon. member for Laurier emphasized that the previous Liberal government authorized the C.N.R. to construct a total of 681 miles of railway lines during its term of office. The railway lines in question, together with their mileages, were itemized by the hon. member. I think it is appropriate for me at this time, as a member representing a railway riding, a riding dependent on the economy of the C.N.R., to state that in my opinion it is unfortunate that the list was so short not only in names but in miles. Mathematically it adds up to about 30 miles per year during their 22 years of office.

This short mileage is all that was constructed, notwithstanding the fact that the former government was in power during a period of war for five years, a period of depression of an equal length of time, and lastly during a period of prosperity unequalled in Canadian history, a period of boom when the government witnessed huge surpluses year after year.

The hon. member for Laurier emphasized that at times development in connection with railway construction in Quebec might not have kept pace with the development in the rest of Canada. He inferred that perhaps development in the area under discussion under the terms of this resolution was held back because of the wishes of the then premier of the province, the late Mr. Duplessis. I do not know whether that is a fact or not, but as a former minister of the crown the hon. member for Laurier is perhaps more qualified than I am to make statements of that type. But I suggest that no government Liberal or Conservative should ever admit that a provincial premier since confederation, had enough influence on the federal government, because of fear or out of respect for a provincial premier, to fail to do anything which might have the adverse effect of holding up the development of any region of this country.

During a period of 22 years, as stated already today, the C.N.R. built a series of extensions or new mileage totalling 680 miles. A short line was built in New Brunswick known as the Bartibog extension. Whether that was a wise move economically remains to be seen, but that railway line was built under the regime of the former Liberal government at a time when we had a government in New Brunswick of a different political belief. It was fully supported by the federal government and the provincial government. Time will tell whether or not it was a good investment for the C.N.R.

I urge that the management of the C.N.R. should co-operate to the fullest extent with the provincial governments of this country and with the suggestions of business. I am confident that both provincial governments and business will now receive the kind of co-operation from the federal government to which they are entitled. The board of directors and the management of the railway should in connection with this particular project use their own forces where possible during construction. I realize that tenders must be called, but where possible C.N.R. employees should be employed. I also suggest that the management should instruct contractors to give priority to the employment of laid-off and former C.N.R. workers. I hope the Minister of Transport will be able to introduce this bill at the first opportunity and that it will receive a speedy passage through the committee stage.

In my opinion new railway lines must be developed in this country with speed. I suggest that a minimum of 100 miles a year would be a very conservative target for the C.N.R. and for the present government. This would make it possible to make up for the

lack of development which we have witnessed since the middle thirties. Apparently it was government policy when times were good, and during the war and post-war years, for the former government to do all it could by an unwritten policy to retard and hold up railway development in this country.

It appears from the debate that a smelter may be constructed somewhere in the St. Lawrence area. I believe that is the reason why the companies which have guaranteed a return to the railway have requested the extension of this line. This extension is justified. From what I understand, it is fully guaranteed from an economic point of view by the mining companies concerned. Perhaps the development of the Canadian north and the undeveloped areas of Canada will proceed with much more haste if it were possible for the government in its own right to co-operate with development companies by joining in the guaranteeing of returns when new lines are promoted. It is my belief that this country cannot again afford to be caught with poor planning such as we have witnessed during the past 20 years or so.

I suggest that the St. Lawrence seaway, a project which has done much for central Canada, is the reason for the resolution now before the committee. Possibly the subject under discussion could be compared to the problem of the development of the Chignecto canal in the maritime provinces. I believe it is related, because if the St. Lawrence seaway had any effect on the resolution it must be assumed that a canal in the Atlantic provinces would likewise justify more trade and promote prosperity, new smelters and perhaps secondary industry.

In conclusion I wish to congratulate the management of the C.N.R. on the foresight and co-operation it has shown. I also want to congratulate the company on its program in recent years for building the first hump yard in its system in the Atlantic provinces and for its new plans for the redevelopment of the Moncton area. I should also like to congratulate this government on its new policy of co-operation. Available transportation is the most elementary requirement for the economic development of any undeveloped region. It developed the east; it was a term of confederation, and this area of Canada affected by the resolution is now about to witness its goal—a horizon with an economic future.

(Translation):

Mr. Brassard (Chicoutimi): Mr. Chairman, after all the remarks we have heard this afternoon and this evening in the house, there is not much left to be said about this resolution, except to congratulate the Minister of Transport (Mr. Balcer) for having taken an initiative which will also be useful to the province of Quebec and to the development of our northern natural resources.

The only point I should like to recall, Mr. Chairman, is that the present Minister of Transport did not wait for hundreds of delegations to see him before introducing this resolution in the house, which is strangely contrasting with what went on in 1954 when the matter of building the Chibougamau-Beattyville railway was under consideration. At that time, as everyone recalls, many steps had been taken to urge the government to action, and yet the same natural resources as today were involved.

Therefore, I am delighted to congratulate most particularly the Minister of Transport for having taken the initiative of introducing the resolution which foreshadows the construction of a railway that will contribute to the development of the northern natural resources of the province of Quebec.

I am particularly delighted to point out that those natural resources, if they have to be exported, will have as their export harbour, the harbour of my city, Chicoutimi.

In closing my remarks, Mr. Chairman, I would be tempted to ask—even if many improvements have been made since the Conservative party came into power as my colleague from Roberval (Mr. Tremblay) pointed out—for an improvement to the Chicoutimi-Montreal railway, because there are indeed many improvements that could be made to that railway. Therefore, I would ask the Minister of Transport to draw the attention of the Canadian National Railway authorities to the matter, because I believe there is yet much to be done in that connection.

Mr. Martineau: Mr. Chairman, if I take the floor at this time, obviously it is not to intone the old refrain of the man about town from St. Jean-Iberville-Napierville (Mr. Dupuis), nor even to elaborate on the rather incongruous outline given by the hon. member for Laurier (Mr. Chevrier) of the Liberal glories in the field of railways, glories which have vanished in any case. It is rather to congratulate, as a representative of north-western Quebec, the Minister of Transport (Mr. Balcer) who introduced this legislation, following many representations made particularly by my excellent friend the hon. member for Chapleau (Mr. Martel) who, I believe, deserves on more than one count much of the merit of this legislation.

The hon. member for Chapleau (Mr. Martel) has made a truly eloquent account of the economic benefits that may derive from that measure. All of us who represent northwestern Quebec are pleased with the progress this

measure means for that region. In fact, I believe it is an important first step towards a rational development of the tremendous resources that abound in northwestern Quebec and to which referred the hon. member for Chapleau, the hon. member for Villeneuve (Mr. Dumas), as well as others who talked earlier on this bill.

When dealing today with a railway, I think that we must consider this project in the wider field of a rational development of all the means of communication in our country and especially in northwestern Quebec, because we are making important arrangements today for the development of the railway.

Our government has also entered into agreements with the provinces on the construction of access roads to natural resources. We must carry on in this way and take vigorous steps to develop this Laurentian Shield, with its many mineral, forestry, agricultural and water resources. We must also consider within the scope of these water developments the building of waterways and seaways.

The Abitibi region is situated at the water divide and, past lake Mattagami, the rivers flow toward Hudson bay and James bay. There is to be found a whole network of rivers. These could be banked and I think we could, with a master plan, draw full profit from these waterways. In so doing we would contribute a lot to the economic development of a region long unknown but now proving itself one of the most promising, thanks to the recent discoveries at Mattagami lake.

I am therefore happy to publicly congratulate once more in this house the hon. member for Chapleau whose devotion to this project has never ceased and who, I am sure, is now happy to see in this house his dearest dreams come true.

Mr. Balcer: Mr. Chairman, I rise now after this very interesting trip through the province of Quebec. The regions visited were numerous. Several times we found ourselves quite far from the point that concerned us more particularly. It is nevertheless heartening to see the unanimity resulting from the different speeches. Naturally there were differences as to the details, but it is good to think that such a project met with very little opposition.

This afternoon the hon. member for Chapleau spoke very objectively of the project. He spoke with full knowledge of the facts. In fact, the line will be built in his riding. He quoted figures. He told the history of the Mattagami mines. I had the privilege of spending the week end with him in the cities of Chibougamau and Chapleau, a very interesting part of his riding. I was able to realize his interest in the Quebec mining industry and to see that he takes good care of his own people. I also noticed how highly he is regarded in that part of his riding.

This railway project meets his views and the views of the population living in the Abitibi region, in the northern part of Quebec and elsewhere in the province.

Mr. Chairman, this afternoon, the hon. member for Laurier had some very kind words for me, and I wish to thank him. He commended me for this first introduction of a resolution, and I appreciated his words. He gave us the history of the railways over the last 25 years, but I think I cannot endorse his interpretation of it.

For instance, he raised the matter of the Chibougamau railway. Several of my colleagues from the province of Quebec thought it proper to reply to his allegations, so I do not think I can add very much to that. I remember having taken the floor several times during the various debates which followed the introduction of the bill on the Chibougamau-Beattyville railway, as I remember that, at the time, the province of Quebec was the one with the smallest railway mileage having regard to its population. Besides, I did not invent that, because it seems to me I have read a most interesting article to that effect in *L'Action Catholique* of Quebec. In fact, Mr. Lorenzo Paré, parliamentary correspondent of that newspaper, described very clearly in that article the meanness of the former government towards the province of Quebec in the matter of railways.

As far as the Chibougamau-St. Felicien line is concerned, I do not want to throw any exaggerated blame on the former administration, but I am unable to see how the Liberal party can try today to win the gratitude of the lake St. John district when it took all that time to carry out the project.

Mr. Chevrier: Would the minister allow a question? It is connected with what he said

about the Canadian National Railways and the building of railways in the province of Quebec. This is my question: The other night, the minister stated that the province of Quebec came first in the railway field. Does the minister still think that?

Mr. Balcer: To prove that the province of Quebec was backward during the first ten years of the former administration, I shall say that absolutely nothing was done at that time to answer the people's needs.

Mr. Chevrier: I am still asking the minister that question. Has the minister made the statement I just quoted?

Mr. Balcer: I did, and I say if there has been some effort made in this field since the war, it is because it was long overdue. In fact, the former government had not done a thing in ten years in the field of railway construction in the province of Quebec.

Mr. Chevrier: May I ask a question of the minister? During a discussion of the Chibougamau-Beattyville project, he said that the province of Quebec had not received its share in the railway field. This statement has been made since the war. How can he reconcile that statement that the C.N.R. had done nothing for the province of Quebec with this other statement he made last night, when he said he was quite satisfied with what the government had done for the province of Quebec?

Mr. Balcer: The Chibougamau railway did not exist at that time. The representations from the province of Quebec finally persuaded the government to build it. Now they are blowing their horn about it. The truth of the matter is that they were obliged and forced by the representations to carry out the project.

Mr. Chevrier: Would the minister allow me this last question?

The minister's statement was made in 1955, whereas the construction of the Chibougamau-St. Felicien railway dates back to 1954, a year prior to the minister's statement.

Mr. Balcer: There may be a difference of a year—

(Text):

The hon. member for Port Arthur asked some very practical and precise questions on the cost of transporting the various goods that this railroad would be called upon to carry. As I said this afternoon when I introduced the resolution, the bill will go before the committee and a lot of details will be available there. The experts will be there and a lot of statistics will be given. In the meantime I should like to say that it is estimated that the volume of goods to be carried on this line will amount to 165,000 tons of zinc concentrates and 25,000 tons of copper concentrates a year. The zinc concentrates will be moved by rail to the company's refinery, which will be built somewhere in the Montreal area. The 25,000 tons of copper concentrates a year will be moved by rail to the smelter of Noranda Mines Limited at Noranda, Quebec. It is estimated that the traffic arising from mining projects will total about $2 million a year, and that traffic consisting of general supplies will total about $225,000 a year.

The hon. member for Port Arthur also raised quite a good argument when he said that we must have some solid guarantees before approving such legislation. He meant by this that it was no use building a railway if the railway was not to get the business or the business was to go down very rapidly, and all this expense would prove to be wasted money and wasted time. The agreement that has been reached between the C.N.R. and the Mattagami Lake Mines Limited contains a guarantee from the mining company of the movement of 1,400,000 short tons of zinc during the first 10 years, with the stipulation that the railway will be paid a certain penalty per ton for any shortage below 140,000 tons in any one year. Therefore, for the first 10-year period this guarantee is there, and I think it is one of the reasons why this project is so sound and why I am so pleased to recommend it to the house.

I was also asked what amount of employment would be provided by the building of this railroad. I have not got those figures at the present time but I will endeavour to bring them before the house on second reading of the bill, and if they are not available at that time they will certainly be brought before the committee. As far as the mining company is concerned, the provision is for the employment of about 400 men at the mine property and 475 to 500 people at the zinc refinery which will be built in the province of Quebec. Therefore, as you can see, Mr. Chairman, this is a sound project; it is a good, economical project and I recommend the resolution to the committee.

Resolution reported and concurred in.

Mr. Balcer thereupon moved for leave to introduce Bill No. C-69, respecting the construction of a line of railway in the province of Quebec by Canadian National Railway

Company from a point at or near mile 72 of the Kiask Falls subdivision in a northwesterly direction to a point in the vicinity of Mattagami lake.

Motion agreed to and bill read the first time.

SHIPPING

REPEAL OF TAX LAWS RESPECTING HALIFAX SIGNAL STATION

Hon. Leon Balcer (Minister of Transport) moved the second reading of Bill No. S-3, to repeal certain laws relating to the signal station at Halifax.

Mr. Chevrier: Has the minister a statement to make?

Mr. Balcer: Yes, I have a short statement. This bill is for the purpose of removing from the statute books an act which has long outlived its usefulness. Its title is an act relating to the signal station at Halifax. It was enacted in 1859, under chapter 64 of the statutes of Nova Scotia, and assessed the sum of 5 shillings, and later $1 upon all steamers and other vessels which entered into the port of Halifax from ports outside of the province of Nova Scotia. Vessels owned in the province of Nova Scotia, except those registered and owned in the port of Halifax, were exempt from payment. In chapter 42 of the same statute of 1861 was an amendment exempting some of the vessels registered and owned in the port of Halifax. Chapter 66 of the statutes of Canada, 1908, was a further amendment exempting vessels under 115 net tons from the payment of signal dues.

The idea behind the bill, Mr. Speaker, is that at the time the statute was enacted a signal station was maintained on Citadel hill in Halifax where people kept watch over the sea by means of a telescope so as to be in a position to report as soon as a ship was in sight of the port of Halifax. Time was of the essence then because it was very important for the owners and operators of ships to learn as soon as possible when one of their ships was coming into port.

With the advent of radio this service was no longer required but the tax was still levied on all ships entering the port of Halifax. The tax amounted in total to $1,510 in the fiscal year 1959-60. It is felt that the collection of the tax is a nuisance and, in addition, the tax is not levied at any other port in Canada. At present the requirement to levy the tax is mandatory and the bill is required to eliminate it.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, the explanatory notes in the bill are so clear in indicating what the purport of the bill is that I do not think there is any purpose in our taking part in the discussion. We see no objection to the bill whatsoever and we are willing to let it go through at once.

Mr. R. J. McCleave (Halifax): Mr. Speaker, I too shall be very brief. However, lest hon. members may think that the port of Halifax was old fashioned in keeping this tax in effect for so long after modern methods had replaced the telescope, I think in fairness to my riding it should be emphasized that the mistake was no fault of ours. There is one other point I should like to make. Hon. members will notice that the bill involves the repeal of a provincial statute which may raise some question in our minds. Actually this was a provincial statute passed before confederation and under the relevant section of the British North America Act the parliament of Canada may legislate in respect of such preconfederation statutes.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Flynn in the chair.

On clause 1—*Repeal.*

Mr. Pickersgill: Mr. Chairman, as the only admitted shipowner in the house, though I have lost my ship since I declared that as my occupation, I should like to ask the minister how much the treasury will lose as the result of the repeal of this tax.

Mr. Balcer: As I said, the amount collected last year was approximately $1,500.

Mr. McCleave: Is it not a fact that the costs of collecting the tax would have to be offset against that mammoth revenue?

Mr. Balcer: Yes.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: By leave, shall the said bill be read the third time now?

Some hon. Members: Agreed.

Mr. Balcer moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

INDIAN ACT

AMENDMENT REMOVING PROVISION RESPECTING COMPULSORY ENFRANCHISEMENT

On the order:

Second reading of Bill C-61, an act to amend the Indian Act.—The Minister of Citizenship and Immigration.

Mr. Pickersgill: Mr. Speaker, if the house leader will move this bill I think we can perhaps dispose of it before ten o'clock.

Mr. Churchill: I would be pleased to move it, Mr. Speaker.

Hon. Gordon Churchill (for the Minister of Citizenship and Immigration) moved the second reading of Bill No. C-61, to amend the Indian Act.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to say that at the last session of parliament I did my best and so did the hon. member for Skeena (Mr. Howard) to get an amendment to the Indian Act to do what the bill accomplishes, and for my part I am very glad to see that the government is belatedly doing what we wanted them to do.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Speaker: When shall the said bill be read the third time? Now, by leave?

Some hon. Members: Agreed.

Mr. Churchill (for Mrs. Fairclough) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the business is for tomorrow and the rest of the week?

Mr. Churchill: Tomorrow, Mr. Speaker, we will commence with item No. 11 on today's order paper, the motion to refer the report of the Canada Council to the standing committee on public accounts. The second item is No. 12 on today's order paper, to refer the public accounts and other matters to the standing committee on public accounts. The third item will be the continuation of the debate on the budget resolutions. If that debate is not concluded, we will carry on with it on Thursday. If it should be concluded on Thursday, I should like to bring forward an item which we did not reach today, the appointment of a select committee to consider the national research council and other matters. If these items are finished on Thursday we will then continue with the estimates of the Department of Citizenship and Immigration and carry forward on Friday with estimates dealing with that department, if necessary, and the Department of Agriculture.

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

HOUSE OF COMMONS

Wednesday, February 15, 1961

The house met at 2.30 p.m.

PRIVILEGE

MR. DORION—REFERENCE TO REMARKS IN DEBATE ON FEBRUARY 9

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I rise on a question of privilege. It has been brought to my attention that on Thursday night last the hon. member for Bonavista-Twillingate made certain remarks pertaining to a declaration which I am alleged to have made in the course of a meeting held at Papineauville in Quebec last October. These remarks appear in *Hansard* beginning at page 1909. The hon. member attributed to me the following words:

Prime Minister Diefenbaker had promptly closed the door on this immigration—

At this point the hon. member added his own comment—

Mr. Speaker: Order. Before the hon. member proceeds further would he indicate on what date the remarks which he now attempts to raise as a matter of privilege were made? Was it Thursday?

Mr. Dorion: It was last Thursday, but this is the first opportunity I have had to correct this statement because I was absent from the house.

Mr. Speaker: It is not customary to permit matters of privilege to be raised on statements made in the house in full session unless the exception is taken at the time the statement is made. Yesterday I prevented an hon. member from referring back even one day. Unless there is a grave matter for correction, it would seem to me to be contrary to our practice to go back to matters occurring, in this case, almost a week ago. If any hon. member disagrees with my interpretation of the rules I shall be glad to hear him, but that is my view.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the hon. member was not in the house at the time of the attack made by the hon. member for Bonavista-Twillingate. Now the hon. member is in the house for the first time. I submit that he is entitled to rise on a question of privilege and deal with these personal charges which were made against him.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, since the Secretary of State for External Affairs has chosen to use that language, I may say that no personal attacks whatever were made. I read extracts from the newspapers, sir.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I was present on the occasion when the hon. member for Bonavista-Twillingate spoke. I considered the matter of such grave consequence that I rose to a point of order to draw to the hon. member's attention the denial which the Secretary of State had made in November of these various remarks. I believe this is the first occasion the Secretary of State has had to explain his position, and I think he should be permitted to proceed.

Mr. Pearson: Why is it the first occasion?

Mr. Speaker: If there is a serious question of privilege and this is the first opportunity that has arisen on which it could be raised, I think perhaps I should accept the hon. member's statement to that effect, although it seems to me that anything of consequence would certainly have come to his attention within the week. Would the hon. member give me the page reference?

Mr. Dorion: Page 1909, Mr. Speaker.

Mr. Speaker: Would the hon. member state as succinctly as he can the matters complained of?

Mr. Dorion: It is this very serious matter, Mr. Speaker. I believe I am perfectly right in re-establishing the facts. The hon. member attributed to me the following words:

Prime Minister Diefenbaker had promptly closed the door on this immigration—

And here the hon. member added his own comment:

—that is the English immigration—

The hon. gentleman went on to attribute to me the following words:

—and was trying to offset the Liberal anglicization by fostering immigration from Italy.

This is absolutely and completely false.

Mr. Denis: I was there when he said it.

(Translation):

Mr. Dorion: I believe the hon. member must take my word for it, and I have all the necessary evidence to prove the truth of my statement.

(Text):

This is absolutely and completely false. Never, at any time, did I say such a thing, and the comments of the hon. member are consequently unfounded.

As for two other statements attributed to me, I would point out that on November 18, 1960 I gave an explanation to this house. This appears at pages 11, 12 and following of *Hansard*. Despite this, the hon. member for Bonavista-Twillingate has ignored the well-established practice of this house that in such circumstances the member's declaration must be accepted.

With reference to Italian immigration, I did not myself approach that problem; I only answered an accusation brought up by a Liberal attending the meeting. Then I stated that this government stands for immigration on a selective basis taking into account the needs of employment and manpower. I can assure the house that my remarks were in no way designed to raise a question of prejudice toward either of the races of Canada. As a matter of fact, I then explicitly indicated that this explanation was not given in any spirit of prejudice.

(Translation):

Mr. Azellus Denis (St. Denis): I must say, Mr. Speaker, that those words were spoken in a public debate which I attended in Papineauville—

Some hon. Members: Order.

Mr. Denis: —and the words read by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) in the newspaper were the very same that were spoken at that meeting by the Secretary of State.

Mr. Dorion: This is absolutely false.

(Text):

Mr. Speaker: Order. As I understood it, the question of privilege was raised with respect to something said by the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: I should like to make an observation with respect to what the hon. gentleman said. I think the best observation I can make, sir, is to read the hon. gentleman's own words at page 12 of *Hansard* of November 18, where it will be seen quite clearly that the hon. gentleman was very careful on that occasion not to deny those words. I will read his own words.

Mr. Speaker: Order. I think it would be unnecessary for the hon. member to read, provided that he gives the reference, as the hon. member did. Hon. members could then read for themselves.

Mr. Pickersgill: What the hon. gentleman did say on that occasion, sir, as was given to the house the other evening by the hon. member for Winnipeg South Centre—

Mr. Grafftey: Divide and rule; race against race.

Mr. Pickersgill: If I may be allowed perhaps the same freedom to speak that the Secretary of State was allowed, without help from the hon. member for Brome-Missisquoi—

Mr. Grafftey: Divide and rule.

Mr. Speaker: I hear interruptions constantly. If hon. members have any objection to the course which is being followed they should rise and state it; otherwise I expect them to maintain silence.

Mr. Pickersgill: I read certain statements on November 18, and I read them again from newspapers, in the English and French languages, which had correspondents at that meeting. On November 18 the hon. gentleman did say that the press reports were rather different from things he had said, but he was very careful not to deny the express words I had read on that occasion. It occurred to me that he had not denied them for the very good reason that there were a very large number of witnesses present on that occasion, and that was the reason I read them.

Mr. Speaker: The Secretary of State is the person in the best position to know what he said, and he has indicated the exception he takes to words attributed to him and has made the correction which, it seems to me, is all that is necessary to be said at this time.

Hon. L. B. Pearson (Leader of the Opposition): When this matter came up in November the hon. member claimed that he had been misquoted. The minister also said at that time that he had with him the actual text of what he said. Perhaps the minister can set this matter at rest once and for all by reading to us from that text what he said.

Right Hon. J. G. Diefenbaker (Prime Minister): I always understood on a question of privilege that an hon. member's word was accepted. The hon. member for Bonavista-Twillingate said on Thursday last that if there was a denial of this he would accept the word of the Secretary of State. That denial has been made and I submit, Mr. Speaker, that is the end of the question of privilege.

Mr. Martin (Essex East): No.

Mr. Denis: Ten witnesses.

Mr. Speaker: It is the practice of the house to accept the word of a member given in his place. However, as has been pointed out heretofore, that does not prevent an hon. member

from indicating such inconsistencies or circumstances as were his reason for having made the prior statement. I trust the matter has been sufficiently reviewed.

COMMITTEES OF THE HOUSE

VETERANS AFFAIRS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. G. W. Montgomery (Victoria-Carleton) presented the second report of the standing committee on veterans affairs, and moved that the report be concurred in.

Motion agreed to.

STANDING ORDERS—CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Miss Margaret Aitken (York-Humber) moved that the second report of the standing committee on standing orders presented to the house on Thursday, February 9, be now concurred in.

Motion agreed to.

EXTERNAL AFFAIRS

WASHINGTON—FURTHER STATEMENT RESPECTING VISIT BY PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on February 8 I informed the house that I had accepted President Kennedy's invitation to visit Washington on February 20.

Detailed arrangements have now been made for that visit. I shall be accompanied by the Secretary of State for External Affairs and the ambassador in Washington. I understand that the President will be accompanied by the secretary of state, Mr. Dean Rusk, and by the United States ambassador designate to Canada, Mr. Livingstone Merchant, whose recent appointment evoked universal approval everywhere in our country.

I wish to take this opportunity to express again my satisfaction at the prospect of a private and informal meeting with the President. I feel certain that at this time of serious risk in international affairs all members of the house will agree that it is beneficial that there should be discussion between the leaders of the United States and Canadian governments.

I shall not be able to specify in advance or in detail any of the subjects for discussion. Naturally among those subjects will be the most critical international issues of the moment, and I hope it will also be possible to cover other international matters and the general field of United States-Canadian relations.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the house will have listened with interest to the further information from the Prime Minister about his visit to Washington. I think we all agree with him that it is important and is bound to be beneficial to have these talks, particularly at this time.

I can only repeat what I said the other day. We on this side wish him every success in these talks and in the effort which they symbolize to improve the already good relations between our two countries. May I say that I learned with particular pleasure from the Prime Minister that one of the United States participants will be Mr. Livingstone Merchant. I am sure everyone, as the Prime Minister has said, welcomes him back to Canada where he has already been stationed, and where he has already done fine service in the cause of good relations between our two countries.

May I presume to suggest to the Prime Minister that one of the things of value that might emanate from these talks would be a reaffirmation on the part of both governments of their strong support for the Secretary General of the United Nations, who is now under such a vicious and unjustifiable attack.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group wish the Prime Minister every success in his talks with President Kennedy working toward world peace and disarmament and the other policies that all of us in the house hope will develop in the months and years ahead. We trust that in doing so he will present what I think is the view of all the Canadian people by putting forward a constructive, co-operative but truly Canadian policy that represents our status as a nation.

Mr. Diefenbaker: Mr. Speaker, I thank both hon. gentlemen. May I say to the Leader of the Opposition that a reiteration of the attitude of Canadians as a whole respecting Mr. Hammerskjold and his contribution to world peace will certainly be in order and will be one of the first things to be discussed. All of us are agreed that the United Nations shall not be destroyed as a result of the truculent attitude of any one nation; nor shall it become, as the U.S.S.R. would have it become if Mr. Khrushchev's words of last September mean anything, a puppet of the U.S.S.R.

ARMY BENEVOLENT FUND ACT

AMENDMENTS TO INCREASE RATES OF INTEREST, PROVIDE FOR ADMINISTRATIVE CHANGES, ETC.

Hon. Gordon Churchill (Minister of Veterans Affairs) moved that the house go

into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Army Benevolent Fund Act to increase the rates of interest to be credited to the fund by the receiver general semi-annually on the minimum balance to the credit of the fund in each month; and to provide for certain changes in connection with the administration of the act.

Motion agreed to.

STARRED QUESTIONS

REMOVAL OF C.N.R. FACILITIES, SMITHERS, B.C.

Question No. 101—**Mr. Howard:**

1. Is the Canadian National Railways planning to move any of its facilities or works from Smithers, British Columbia?
2. If so, what facilities or works, to which other community, at what reduction in staff, how many personnel will be obliged to move, and when will the changes take place?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the management of the Canadian National Railways advise as follows:

1. It is planned to transfer the dispatching office to Prince George in order to bring about more effective handling of traffic.

2. Thirteen personnel will be involved in the transfer. Preliminary notice has been given to the employees and their union representatives. The move is expected to be made in approximately three months' time.

ARCHITECTS' FEES AND COMMISSIONS

Question No. 110—**Mr. Fisher:**

1. What is the total, by year, of the federal moneys paid for architects' fees since 1957?
2. What proportion of such commissions annually went to the top 10 firms who received commissions?
3. How many firms of architects were and are considered suitable for designing government buildings?
4. How many of these firms have gained commissions since 1957?

Hon. Noel Dorion (Secretary of State): Since a number of government departments are involved in this question, I would suggest that the question be made an order for return.

Mr. Speaker: Order for return.

PUBLIC WORKS—ARCHITECTS' DESIGN CONTRACTS

Question No. 111—**Mr. Fisher:**

1. How are the design contracts or awards given to architects by the Department of Public Works?
2. Has the department received or noted any communications or views since 1957 which have been critical of the procedure in awarding commissions to architects?
3. If so, by whom, in what way, to what effect?
4. How many competitions of a provincial or a national kind have been held for architectural design since 1957 by the federal government?
5. What buildings were involved in each case, and how many entries were received?

[Mr. Churchill.]

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the answer to part 1 of the question is, on approval of the minister and authorization of treasury board.

In answer to part 2, no such communications have been received by the department. The answer to part 3 is, not applicable. The answer to part 4 is, none; and the answer to part 5 is, not applicable.

FEDERAL EXPENDITURES ON QUEBEC ESKIMOS

Question No. 112—**Mr. Michaud:**

How much was spent in the fiscal year 1959-60 by the Department of Northern Affairs and National Resources on Eskimos per capita in the province of Quebec?

Hon. G. E. Halpenny (Minister without Portfolio): Mr. Speaker, the department's records are not kept in such a manner as to make possible the extraction of precise figures on matters of this kind. The best estimate that can be provided as to the department's expenditures on behalf of Eskimos in the province of Quebec during 1959-60 is something in the neighbourhood of $400 per capita.

UNEMPLOYMENT INSURANCE FUND

Question No. 113—**Mr. Martin (Essex East):**

1. Have there been any net realized losses, i.e., excess of book cost over selling price, on sales of securities from the unemployment insurance fund?
2. If so, what are the amounts between October 1, 1958, and January 1, 1961, by quarters?
3. Have there been any government advances to the fund?
4. If so, what are the amounts, by months, from March 1, 1959, to date?
5. Have there been any repayments of any such advances?
6. If so, what have been the amounts, by months, from March 1, 1959, to date?
7. What rates of interest were paid on any such advances?
8. What amount of interest was paid by the fund to the government on any such advances?
9. What was the average rate of interest earned on the book value of the assets of the fund in the fiscal years, 1957-58, 1958-59, 1959-60, and during the current fiscal year, excluding interest payments to the government on advances?
10. What was the net rate of interest earned, on the same basis as in preceding question (net defined as gross income less interest paid to the government on advances)?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, this question is in ten parts and the answers include a number of figures and statistical information. I therefore suggest that the answer be printed in *Hansard* without my reading it.

Mr. Speaker: Has the hon. minister leave to have his answer printed in *Hansard* as suggested?

Some hon. Members: Agreed.

[*Editor's note: The answer above referred to is as follows:*]

Starred Questions

1. Yes.

2.

	Loss	Profit
Oct. 1, 1958-Dec. 31, 1958	$4,849,005.18	
Jan. 1, 1959-Mar. 31, 1959	6,956,512.85	
Apr. 1, 1959-June 30, 1959	525.00	
July 1, 1959-Sept. 30, 1959		$ 2,280.00
Oct. 1, 1959-Dec. 31, 1959	2,152,837.50	
Jan. 1, 1960-Mar. 31, 1960	6,262,609.00	
Apr. 1, 1960-June 30, 1960	5,337,453.50	
July 1, 1960-Sept. 30, 1960	2,190,810.83	
Oct. 1, 1960-Dec. 31, 1960		158,066.03
Jan. 1, 1961-Jan. 31, 1961		318,540.54

(Note: Under U.I.C. accounting procedures the differences between purchase prices and sale or realization prices of treasury bills are recorded as profits.)

3. Yes.

4. March 1959, nil; April 1959, $45,000,000.00; May 1959, $27,000,000.00; January 1960, $7,000,000.00; April 1960, $19,000,000.00; May 1960, $18,000,000.00.

5. Yes.

6. July 1959, $20,000,000.00; August 1959, $10,000,000.00; September 1959, $8,000,000.00; October 1959, $9,000,000.00; November 1959, $20,000,000.00; December 1959, $5,000,000.00; March 1960, $7,000,000.00; June 1960, $37,000,000.00.

7. 5 per cent on $72,000,000.00, 5¾ per cent on $44,000,000.00.

8. $1,743,173.97.

9. 1957-58, 3.101 per cent; 1958-59, 3.523 per cent; 1959-60, 3.913 per cent; 1960-61, 3.398 per cent.

10. 1957-58, 3.101 per cent; 1958-59, 3.523 per cent; 1959-60, 3.551 per cent; 1960-61, 3.301 per cent.

PUBLIC BILLS—CONSISTENCY WITH BILL OF RIGHTS

Question No. 114—**Mr. Howard:**

1. Has the Minister of Justice examined each public bill introduced by a private member during this session in order to ascertain whether any of the provisions thereof are inconsistent with the purposes and provisions of the bill of rights?

2. If so, has he found any such inconsistencies, and what are they?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the answer to the first part of the question is yes, and the answer to the second part is no.

C.B.C. ASSIGNMENTS, ALGERIA AND TUNISIA

Question No. 115—**Mr. Pigeon:**

1. Have Mr. Gérard Pelletier, Mr. Claude Sylvestre, and Miss Rita Martel left Montreal to go to Algeria and Tunisia at the expense of the Canadian Broadcasting Corporation?

2. If so, for what reasons have they been authorized to make such a trip abroad?

3. How long have they been away, or how long will they be away on the said trip?

4. What amount of money, including salaries and remuneration, has such trip cost, or how much will it cost the Canadian Broadcasting Corporation?

(Translation):

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, the answer to the first part: of the question is yes; to the second part: as a team of producers for a series of programs on Algeria and Tunisia, for use on the French network. The answer to the third part of the question is the following: those persons left Montreal on January 25 and are expected to be back on March 6.

Fourth, the expenses are expected to amount to about $8,200.

(Text):

POLICING OF FEDERAL AIRPORTS

Question No. 116—**Mr. Bourget:**

1. Did the Department of Transport establish a group of special personnel to police federal airports?

2. If so: (a) when was such a group established? (b) what were its specific functions? (c) how many persons were employed for this purpose? and (d) what is the present status of this particular group?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the answer to part 1 is yes, the Department of Transport established special groups of personnel to police federal airports at Malton, Dorval and Ottawa.

As to part 2, the answer is as follows:

(a) These groups were established at Malton and Dorval on April 1, 1955, and at Ottawa on April 1, 1959.

(b) Their specific functions are policing the airport, checking on infractions of the law committed on airport property; as necessary, arresting and holding violators of the law in custody; enforcing the airport vehicle control regulations; as required, appearing in court to give evidence; patrolling government properties on the airport, including building, hangars and parking lots; checking for vandalism, fire and trespassing; controlling crowds; and preparing reports related to their duties.

Starred Questions

(c) Initially at Malton five personnel were employed for this purpose. At Dorval there were six, and at Ottawa eight. Effective April 1, 1959, there was an increase in the groups at Malton and Dorval to 17 and 11, respectively.

(d) These groups are to be replaced effective April 1, 1961, by the R.C.M.P., who are assuming complete responsibility for the policing and security of federal airports.

WINTER WORKS PROJECTS, SPRINGHILL, N.S.

Question No. 117—**Mr. Batten:**

1. Have any projects been approved under the winter works program for the town of Springhill, Nova Scotia?
2. If so, in what amounts, and how many persons have been employed?
3. Are any projects under the winter works program still under consideration?
4. If so, what are these projects?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, the answer to part 1 is yes. Under the 1960-61 municipal works incentive program three projects have been approved for the town of Springhill, Nova Scotia.

The answer to part 2 is that the estimated total cost of these projects amounts to $9,375, with the estimated federal government share amounting to $3,325. Fourteen men were to be employed on these projects.

The answer to part 3 is that no other projects for the town of Springhill have been received under the municipal winter works incentive program. The answer to part 4 is answered by the answer to part 3.

U.S. PIPE LINE WORKERS, B.C.—REGULATIONS

Question No. 118—**Mr. Batten:**

1. Do any regulations exist with respect to the admission of workers from the United States to Canada for employment in the construction of pipelines in British Columbia?
2. If so, what are the provisions of these regulations?
3. Have any American workers been admitted to Canada, since January 1960, for such work and pursuant to these regulations?
4. If so, how many, and in what classification of employment?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, the answer to question 1 is yes. The answer to question 2 is as follows. Section 7 (1)(h) of the Immigration Act provides that persons engaged in a legitimate profession, trade or occupation may be allowed to enter and remain in Canada as non-immigrants for the temporary exercise of their respective callings. It is the government's policy that such persons shall not be admitted unless the examining immigration officer is satisfied that the individual's services are required in Canada. In the case of such trades and occupations as pipe-line workers, where it is considered that the employment of a permanent resident may be adversely affected, the national employment service is consulted to ensure that the services of local residents with the required qualifications are not available. Admission of workers from the United States for temporary employment in the construction of pipe lines in British Columbia is governed by this section and the policy I have outlined.

The answer to question 3 is yes.

The answer to question 4 is that 17 persons have been admitted to Canada from the United States since January, 1960, for temporary employment in the construction of pipe lines in British Columbia. Five of these were described as superintendents, one of an entire project, with an assistant, and the others of various phases of the operation; three were engineers and three were foremen, all with specialized functions; there were two office managers, a project manager and a chief inspector. One was described as a material co-ordinator and the last was a representative of the United States concern interested in the purchase of the gas from the Canadian owners. All of these men except one foreman, who has since been admitted to Canada for permanent residence, and the representative of the United States purchasers, were destined for employment to one or other of the two concerns who are engineering and constructing the pipe line in the Cranbrook area. Temporary admission was allowed for various periods of time up to a year, pending completion of the project, and in each case the approval of the national employment service was obtained.

FORMULA FOR DESIGNATING CHRONIC UNEMPLOYMENT AREAS

Question No. 119—**Mr. Martin (Essex East):**

Will the Minister of Finance inform the house if a decision has been reached on the formula that has been or is to be adopted in designating areas of chronic unemployment?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the precise terms are under consideration at the present time. As I indicated in reply to a similar question on February 8, information on this subject will be communicated to the house at the appropriate time.

SELECTIVE DOUBLE DEPRECIATION PLAN PROCEDURE

Question No. 120—**Mr. Martin (Essex East):**

Within the framework of the selective double depreciation plan announced in December, will the Minister of Labour give some clue as to the

proposed procedure; for instance, will the units of population to be designated be those embraced by the local national employment service offices?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): Mr. Speaker, information about this program, as has been stated earlier by the Minister of Finance will be communicated to the house at the appropriate time.

UNEMPLOYMENT INSURANCE OFFICE SITE, TORONTO

Question No. 121—**Mr. Bourget:**

1. Has the government acquired a site for an unemployment insurance office in Toronto?
2. If so: (a) what is the location of this site, and when was the site acquired? (b) is it the intention of the government to undertake construction on this site? (c) when?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the answer to part 1 is yes. The answer to part 2 is as follows:

(a) Dundas street east between George and Jarvis streets. Title documents registered December 15, 1959.

(b) Yes.

(c) When plans and specifications are completed.

LOANS TO SMALL ENTERPRISES

Question No. 122—**Mr. Racine:**

According to the latest reports received by the government, how many loans have been made to small enterprises?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, section 19 (1) of the Small Businesses Loans Act provides that every bank shall prepare and mail to the Minister of Finance by ordinary post, within 30 days following the last day of each month, a monthly report of loans made in the preceding month.

No returns have yet been received for that portion of January during which lending was permissible, namely January 19 to 31 inclusive.

POLICING OF CITIES BY R.C.M.P.

Question No. 124—**Mr. Benidickson:**

1. Has the Minister of Justice received a letter from the mayor of Portage la Prairie, Manitoba, requesting clarification on the policy of the Royal Canadian Mounted Police with respect to policing of cities?
2. If so, has the minister made a reply setting out the details of any such policy, and, if so, what are these details?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the answer to part 1 of the question is that a letter has been received from the mayor of Portage la Prairie requesting clarification of such policy as it affects Portage la Prairie.

The answer to part 2 is that no reply has yet been made.

Starred Questions

REXTON, N.B.—PAINTING OF POST OFFICE

Question No. 125—**Mr. Michaud:**

1. Was a contract let recently for painting the post office at Rexton, N.B.?
2. If so, in what places were advertisements for tenders for this work published or displayed?
3. How many tenders were received, and from whom?
4. What was the amount of each tender?
5. To whom was the contract awarded, and where does the successful contractor reside?

Mr. Y. R. Tassé (Parliamentary Secretary to the Minister of Public Works): Mr. Speaker, the answer to part 1 is yes. The answer to part 2 is that no tenders were advertised, but in accordance with the department's normal practice with small projects, a number of contractors were invited to submit bids.

The answer to parts 3 and 4 is that tenders were received as follows: Mr. Valmond Leblanc, Richibucto, New Brunswick, $1,175; Mr. Augustine King, Richibucto, New Brunswick, $1,450; Mr. Honore Robichaud, Richibucto, New Brunswick, $1,600.

The answer to part 5 is that the contract was awarded to the lowest tenderer, Mr. Valmond Leblanc of Richibucto, New Brunswick.

JERICHO BEACH, B.C. MILITARY ESTABLISHMENT

Question No. 126—**Mr. Taylor:**

1. Is the federal government the registered owner of all lands and premises relating to the military establishment at Jericho beach, Vancouver, British Columbia?
2. When were all the lands and premises of the federal government acquired at Jericho beach?
3. What prices were paid for the property, and what is the present acreage?
4. What is the present market value of the Jericho beach property of the federal government?
5. What sums are paid to the city of Vancouver annually for taxes or grant in lieu of taxes?
6. Has the province of British Columbia any rights relating to this property at the waterfront?

Hon. D. S. Harkness (Minister of National Defence): The answers to some of these questions require the compilation of a considerable amount of detail and statistics which it has not yet been possible to get together. In these circumstances I wonder if this could be made an order for return.

Mr. Speaker: Order for return.

C.B.C., VANCOUVER—PERSONNEL AND PREMISES

Question No. 127—**Mr. Taylor:**

1. (a) How many persons are employed by the Canadian Broadcasting Corporation in Vancouver, British Columbia? (b) how many employed in radio, and how many in television?
2. What are the addresses of each of the premises where the employees of C.B.C. work?
3. What premises are owned by the C.B.C.?
4. Have architects been appointed or plans made by the C.B.C. for the construction of suitable accommodation for the entire C.B.C. operation in Vancouver?

Starred Questions

5. Has the Vancouver city council recommended construction at a particular site?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): The answers to these questions are complicated and contain a lot of detail. I have seen the hon. member and he has agreed that this should be a simple question and stand on the order paper in that way. It would then be answered in due course.

Mr. Speaker: In effect, then, this would be transferred to the order paper without the asterisk. Is that agreed?

Some hon. Members: Agreed.

REPRINTING OF CENSUS FORM

Question No. 128—**Mr. Chevrier:**

1. How many copies of the main census form will have to be printed because of the revision of the questionnaire as outlined in the letter of the dominion statistician dated February 10, 1961?
2. What cost will be involved?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): The answer to question No. 1 is, 7,104,000. The answer to question No. 2 is that the Department of Public Printing and Stationery has estimated the cost at $160,000.

SEATTLE, WASHINGTON EXPOSITION—CANADIAN EXHIBIT

Question No. 129—**Mr. Taylor:**

1. Is the government proposing to enter a Canadian exhibit in the 1962, $45 million, six-month "Century 21" exposition in Seattle, Washington?
2. Has the government received a request from the government of British Columbia to consider sharing the costs of an appropriate exhibit in this exposition?
3. If so, what is the nature of the reply given to the government of British Columbia?

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): The answer to question No. 1 is, yes. The answer to question No. 2 is, no. Question No. 3 is answered by the reply to question No. 2.

[*Later:*]

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): I should like to ask the parliamentary secretary to the Minister of Trade and Commerce whether, in the light of his reply to my starred question earlier today concerning the exposition in Seattle, Washington, he can give the estimated cost of Canadian participation, and state whether we are going to build a pavilion there.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commirce): The estimated cost in $300,000, and it is expected that we will occupy rental space rather than construct a pavilion.

[Mr. Taylor.]

UNEMPLOYMENT INSURANCE—CONTRIBUTIONS BY FISHERMEN

Question No. 130—**Mr. Howard:**

For each year since fishermen have been covered by unemployment insurance, what was: (a) the amount of contributions received from fishermen while engaged in fishing? (b) the amount of contribution received from recipients of benefits under the provision of coverage for fishermen while such recipients were engaged in non-fishing employment?

Mr. R. D. Thrasher (Parliamentary Secretary to the Minister of Labour): The answer to part (a) of the question is:

The amount of unemployment insurance contributions paid by fishermen in each fiscal year since they have been covered by the legislation is as follows:

1957-58	$359,204.82
1958-59	387,699.92
1959-60	453,613.58
Apr./60-Dec. 31/60	472,281.94

There is no record which would enable part (b) to be answered.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ARCHITECTS' FEES AND COMMISSIONS

Question No. 110—**Mr. Fisher:**

1. What is the total, by year, of the federal moneys paid for architects' fees since 1957?
2. What proportion of such commissions annually went to the top 10 firms who received commissions?
3. How many firms of architects were and are considered suitable for designing government buildings?
4. How many of these firms have gained commissions since 1957?

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Question No. 126—**Mr. Taylor:**

Is the federal government the registered owner of all lands and premises relating to the military establishment at Jericho Beach, Vancouver, British Columbia?

2. When were all the lands and premises of the federal government acquired at Jericho Beach?
3. What prices were paid for the property, and what is the present acreage?
4. What is the present market value of the Jericho Beach property of the federal government?
5. What sums are paid to the city of Vancouver annually for taxes or grant in lieu of taxes?
6. Has the province of British Columbia any rights relating to this property at the waterfront?

(Translation):

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STATEMENT ON CANADIAN ADHERENCE TO GENEVA CONVENTION

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I should like to reply to the question put to me in French by the hon. member for Niagara Falls (Miss LaMarsh) on February 9 last, whereby she wished to know why the government had not imple-

mented the recommendations of the Ilsley report to the effect that Canada should sign the Universal Convention on copyright, adopted in Geneva, in 1952.

I wish to inform the hon. member that Canada did sign that convention but that, in the interval, parliament has not yet been called upon to ratify it. Why? The hon. member will appreciate that I cannot answer on behalf of the former government. As for this government—

(Text):

Mr. Speaker: Order. I think the minister has misunderstood. I asked whether there were any further questions to be made orders for return.

LABOUR CONDITIONS

UNEMPLOYMENT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. Paul Martin (Essex East): I ask leave to move the adjournment of the house under standing order No. 26 for the purpose of discussing a definite matter of urgent public importance, namely the addition of 165,000 persons to the ranks of the unemployed during the past month.

Mr. Speaker: The hon. member for Essex East has invoked standing order No. 26 to ask for leave to move the adjournment of the house to discuss an increase in the number of persons unemployed.

No one would question that the matter is one of public importance. What I have to determine is whether there is that urgency of debate in connection with this matter which would warrant our interrupting the normal course of our proceedings so as to permit a debate on this subject matter on the ground that there has not been, or is not, an opportunity, or sufficient opportunity, for the house to discuss this question. It seems to me that is the simple proposition before the Chair.

Similar motions have been moved in the past, or at least leave has been requested in the past, and I have on each occasion taken the view that to discuss unemployment in general terms under a motion to adjourn the house under standing order 26, where there has been ample discussion or considerable discussion, or at least ample opportunity in general debates to discuss the question of unemployment, would not be in accordance with the urgency of debate which the rule contemplates, and I see no reason for taking a different course at this time, more particularly as we have had very considerable discussion of the serious problem of unemployment both in the immediately preceding days and in the earlier part of the session. Moreover, I expect there will be ample opportunity in the ensuing days.

If the hon. member for Essex East has a word to say on the question of urgency of debate I will hear him on that subject only.

Mr. Martin (Essex East): I think Your Honour's statement of the procedural situation is one which will be accepted by all hon. members. We are not asking that there should be a general discussion of the problem. As you have pointed out, there has already been presented this session an opportunity for discussing the generality of the problem. What we are asking is an opportunity to discuss something new, namely the fact that the government's announcement today indicates that 165,000 more persons are out of work than in the previous reporting period.

This is a new fact, and if we are not given an opportunity to debate this matter at this time there will be no opportunity provided in the foreseeable future. The estimates of the Department of Labour have not been called. If they had been called, we might have urged the government to introduce those estimates forthwith. But there is nothing now before the house which would enable us under our procedures to discuss this matter which, as Your Honour said, no one will suggest is not a matter of urgent public importance.

This question has suddenly confronted us in its present serious proportions; and, because of its admitted character, it would seem to me that Your Honour would, on reflection, agree that there being no opportunity today, no opportunity that is presented unless the Department of Labour esimates were before us, we should not be precluded at this time from discussing this further development which arises out of the most important domestic problem which, regrettably, faces our country today. For these reasons I ask leave to present this motion.

Mr. Speaker: Does the hon. member for Peterborough wish to say something before I deal with the matter.

Mr. Walter Pitman (Peterborough): I should like to support the position taken by the hon. member for Essex East. I think it is indicative of the importance and urgency of this matter that we in this corner had also decided to ask leave to move the adjournment of the house under standing order 26 for the same reason. The figures have just been published, and we shall have no further opportunity to discuss this matter in the foreseeable future.

Unemployment

Mr. Speaker: I think I need not hear the minister, because I am not prepared to accept the proposition that the increase in numbers has altered the case. The hon. member has asked me to distinguish the over-all problem of unemployment and the problem which arises from a substantial increase in one month's unemployed as reported, but in view of the course of this session, which was called for the indicated purpose of dealing with the over-all problem of unemployment, it does not seem to me that the house would be warranted in following the hon. member's suggestion when so much of its direct attention in this session has been devoted to this specific problem, regardless of its proportions or whether it has increased to 10 per cent from 5 per cent or whatever the figures may be.

The session has largely been devoted and presumably will be devoted to that specific problem. With regret, then, I must inform the hon. member for Essex East that I do not accept the distinction.

Mr. Regier: Mr. Speaker, I should like to appeal your ruling.

Mr. Speaker: It has been well established that the ruling is not on a point of order and that there is no appeal.

Mr. Regier: In that case I should like to rely on a precedent and appeal your ruling that there is no appeal to this ruling. There is a precedent.

Mr. Speaker: If the hon. member has a precedent I, of course, would be interested in hearing it.

Mr. Regier: I do not have it with me at the moment. However, I believe all the older members of this house will recall when there was an appeal against a decision of the Chair that there is no appeal from his ruling.

Hon. E. D. Fulton (Minister of Justice): On the point of order, Mr. Speaker, that is so; and at that time the house upheld the decision that there is no appeal from the Speaker's ruling on this matter. Surely, then, there should be some termination to this question. There must be some finality as to the rules of the house and the decisions the house makes on them. This house has twice itself decided that there is no appeal allowed on this point.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, on the point raised by the Minister of Justice, it is a strange point and I am amazed that he should raise it. The house on a decision like this would tie its hands indefinitely even against an appeal. Surely each parliament is the master of its own rules. If the suggestion of the minister were followed you might as well tear up the rule book and throw it away.

Mr. Fleming (Eglinton): The hon. member is tearing it up.

Mr. Argue: If an appeal on a point of order at one time with a certain result prevents the same kind of appeal ever again being made, our position would be untenable. I think the Minister of Finance knows that such a suggestion is absolutely intolerable.

Mr. Speaker: The hon. member knows, of course, that the house is master of its own procedure, and it is the duty of the Chair to carry out the orders and practices which the house has approved. The precedent is clear. As stated by the Minister of Justice, there was an attempt made at one stage to see in the refusal of an appeal a point of order in itself and to appeal that point of order, but the house by its decision denied that that was so, and that stands until the house orders to the contrary. Therefore I cannot accept the hon. member's appeal on the basis that there is no appeal.

Mr. Regier: If I may speak to this point of order—

Some hon. Members: No.

Mr. Fulton: There is now no point of order.

Mr. Regier: Surely it is preposterous for a parliament to determine rules for a parliament in the future.

Mr. Speaker: I have heard the hon. member for Burnaby-Coquitlam and the hon. member for Assiniboia and have given my decision.

MOTIONS FOR PAPERS

TRANS-CANADA HIGHWAY, QUEBEC

Motion No. 44—**Mr. Bourget:**

For a copy of all contracts and agreements entered into by the federal government and the province of Quebec with respect to the trans-Canada highway, together with copies of all riders and schedules pertaining thereto.

Motion agreed to.

URANIUM PURCHASES BY U.S.

Motion No. 46—**Mr. Pickersgill (for Mr. McIlraith):**

For a copy of all correspondence, telegrams and other documents exchanged between the Canadian government, on the one hand, and the United States government on the other, since August 29, 1959, on the subject of the purchase of uranium by the United States of America from Canada.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I wonder if there would be any objection to allowing this motion to stand. I have to make further inquiries in connection with it.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should be very happy to agree to that, sir.

Motion stands.

UNEMPLOYMENT INSURANCE MANUAL

Motion No. 47—**Mr. Roberge:**

For a copy of the new insurance coverage manual issued in October 1955 by the unemployment insurance commission.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I have communicated with the commissioners of the unemployment insurance commission in respect of this motion. To date I have not received a reply from them. Under the circumstances I would ask if the hon. member would agree to allow this motion to stand.

Motion stands.

UNEMPLOYMENT INSURANCE MANUAL

Motion No. 48—**Mr. Roberge:**

For a copy of the insurance coverage manual issued in January 1950 by the unemployment insurance commission.

Hon. Michael Starr (Minister of Labour): I would ask the hon. member to allow this motion to stand for the same reason.

Motion stands.

BUSINESS OF THE HOUSE

REQUEST FOR CALLING OF LABOUR ESTIMATES TO DISCUSS UNEMPLOYMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he would request the house to give unanimous approval to the calling, immediately, of the estimates of the Department of Labour, so that we can discuss without any delay the serious unemployment situation.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there will be a supply motion on Monday, when every opportunity will be given to hon. gentlemen to speak on this subject if it is within the rules of the house so to do. If that motion is passed, and if the house so wills, among the estimates to be called will be those of the Department of Labour.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. Does the Prime Minister not regard this problem as so urgent that no delay can be permitted in having this house discuss a matter which the Prime Minister said he would solve when he addressed himself to the Canadian people?

Mr. Diefenbaker: Mr. Speaker, all I would say to the hon. gentleman is this. Everyone in this house will recall that for the last three and one half years the hon. gentleman has been making prophecies in this connection which have not turned out to be correct.

LABOUR CONDITIONS

INQUIRY AS TO WINTER WORKS PROGRAM AND FUTURE PLANS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the serious unemployment crisis, as shown by statistics now made available to the house, can the minister say what result his winter works program has had in dealing with this question, and whether the government has any further plans to present to parliament during this session to deal with this national emergency?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I cannot answer categorically yes or no a question of this sort, but with the consent of the house I should like to make a statement at this time in respect to this serious situation.

Mr. Argue: Can we reply to it on motions?

Mr. Martin (Essex East): I think the request of the Minister of Labour ought to be acceded to, but in view of the seriousness of this problem today we should be given an opportunity to comment on it.

Mr. Speaker: In view of the remarks which have already been made, I would think the minister's statement would open up a debate. If the house wants to enter into a debate it can do so by unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The Minister of Labour would have to get the consent of the house to revert to motions.

Mr. Pearson: We would be delighted to give the minister consent at this time in order to have a debate on this matter, which the minister would introduce by his statement.

Mr. Argue: Much as we would like to have a debate, is there not an alternative procedure, namely that we revert to motions

by unanimous consent, the minister makes his statement and each of the opposition parties has a chance to reply to the statement?

Some hon. Members: No.

Mr. Robichaud: Are you afraid of it?

Mr. Speaker: Well, I am not sure that I understand. Is the minister asking for leave to revert to motions? If he is, I will deal with it.

Mr. Martin (Essex East): Mr. Speaker, surely this is an extraordinary situation. A minister of the crown—

Some hon. Members: Order.

Mr. Martin (Essex East): I know hon. gentlemen do not like this.

Some hon. Members: Order.

Mr. Speaker: I asked the minister whether he wished me to ask the house for leave to revert to motions; having had no response, we are on orders of the day and the hon. member for Essex East is entitled to rise and ask a question or speak on a question of privilege.

Mr. Martin (Essex East): Will the Minister of Labour kindly give to the house now the statement which he announced a few moments ago he was going to give today?

Mr. Starr: Mr. Speaker, I was prepared to give a detailed reply to the question asked by the hon. member for Assiniboia, but certainly there was no intention on my part to start a debate on this subject since you had previously ruled that at this time such a debate was not in order.

Mr. Argue: Obviously the minister's reply should follow the rules; in other words, it should be a concise reply to a question and he should not take advantage of a question on the orders of the day to make a provocative statement which is very likely not founded on fact.

Mr. Speaker: In conformity with the rules the minister has an opportunity to reply, if he can reply, to a question in as broad terms as that one.

Mr. Starr: It is difficult to give a full reply to the question asked by the hon. member for Assiniboia, but as far as the municipal winter works program is concerned, the suggestion that there may be 200,000 people employed on site and off site under that program is about fulfilled, and this government in those measures that it has fulfilled and those programs that it has approved and put into effect will continue to do everything within its power to help this serious unemployment situation, which is of concern not only to this government but to all the people of Canada.

Mr. Argue: A supplementary question. On a former occasion the minister said that a responsibility lies with management and labour to deal with the unemployment crisis. Can he tell the house how he expects management and labour to deal with the government's responsibility?

Mr. Speaker: Order. The hon. member's question leads directly to debate; it is a debating question, and I do not propose to accept it.

Mr. H. W. Herridge (Kootenay West): I have a supplementary question. It is quite in order and supplementary to what has been said previously. Has the minister received any complaints from municipalities or trade unions in southeastern British Columbia concerning the winter works program regulations as being too inflexible, and urging the necessity for great flexibility in the regulations in order to give due consideration to climatic and other local circumstances? If so, is consideration being given to modification of the regulations to meet these particular climatic and local circumstances, and thereby employ many more people?

Mr. Starr: Mr. Speaker, the hon. member gave me notice of this question, and I wish to advise him that a letter has been forwarded to me signed by Mr. W. S. King, recording secretary, and Mr. D. R. Calder, president, brotherhood of locomotive firemen and engineers, from Revelstoke. In their letter they complain about two projects in that municipality which had been turned down. I might mention that five other projects were accepted.

The two which were turned down, Mr. Speaker, were first of all a project to slash, pile and burn brush for a distance of 15 miles along a right of way for a transmission line. This would have employed three men. It was turned down at the instigation of the province, which felt that the project was not appropriate. The other project was slashing brush at the Revelstoke airport which was, of course, completely outside the scope of the winter works project.

On the five projects which were approved, work was provided for 60 men for approximately two months.

COAL

CAPE BRETON—REQUEST FOR MEETING OF LABOUR MANAGEMENT AND GOVERNMENTS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime

Minister whether he has received a request from the premier of Nova Scotia for a meeting of representatives of the government of Nova Scotia, of management, of labour and of the federal government on the matter of closing of the three collieries in Cape Breton.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I cannot answer that question categorically. The Leader of the Opposition will understand that I have to make an examination of the records.

RAND REPORT—INQUIRY AS TO PUBLICATION OF COMMENTARY

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): I wish to direct a question to the Prime Minister. Has the Prime Minister received a request from various bodies on the island of Cape Breton requesting the government to make public a special commentary prepared by Mr. Vissac on the report of Mr. Justice Rand? If so, will the Prime Minister tell the house whether he expects to take any action on this matter?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there has been correspondence—a couple of telegrams were received today—in connection with the Vissac statement. After the matter has been looked into an answer will be given.

INDUSTRY

AUTOMOBILE—REPORTED REMOVAL OF GENERAL MOTORS PLANT FROM WINDSOR

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. Has the Prime Minister received a telegram from George Burt, Canadian director of the united automobile workers, saying he has information that the General Motors Company may be preparing to move their motor plant operations out of Windsor after 36 years in that city? Has the Prime Minister interceded with General Motors to see whether or not this very regrettable action may be in the offing?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I did receive a telegram from Mr. George Burt in which he urges me:

> To help us get from General Motors immediate and unequivocal statement as to accuracy of press reports which say G.M. will move its motor plant operations out of Windsor.

Of course the hon. gentleman knows the government of Canada has no authority over General Motors or over the action of any corporation or individual. We are unable to secure information by a simple request. In view of this telegram I have had General Motors communicated with, and any statement with respect to this matter will have to come from that corporation, whose decision it will be. However, I think I might add that I believe any fears of early action in that regard are not well founded.

Mr. Argue: May I ask a supplementary question?

Mr. Martin (Essex East): I should like to ask the Prime Minister—

Mr. Argue: Can the Prime Minister say—

Mr. Speaker: Order. I think the hon. member for Assiniboia should have the first supplementary question. I note the hon. member for Essex East.

Mr. Argue: Can the Prime Minister inform the house whether this very urgent problem has been placed before the royal commission, and whether this particular problem is within the scope of the inquiry being made by the commission?

Mr. Diefenbaker: I would suggest that the hon. gentleman read the powers of the royal commission and make his own interpretation. However, I would say that the government has not brought this matter to the attention of the royal commission. No doubt the information will be available to that commission, as it is to the hon. gentleman, it having received publicity.

Hon. Paul Martin (Essex East): May I ask the Prime Minister a question arising out of his statement that he has been in touch with the General Motors Corporation regarding this matter? Does the Prime Minister not think that the emergency action taken by the President of the United States in such matters in calling together labour and management would be one device by which this kind of problem now affecting Windsor could be adequately investigated and solved.

Mr. Speaker: Order. The hon. member's question is certainly not supplementary, and it has all the characteristics of presenting a point of view rather than asking for information.

ADMINISTRATION OF JUSTICE

LEASING OF PREMISES FOR USE AS PRISONS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of Justice, and I regret not having been able to send him notice. My question arises out of a newspaper report in this morning's *Globe and Mail* to the effect that reform

institutions minister Wardrope of the Ontario provincial government has announced that the Ontario government is leasing certain buildings at Elliot Lake for use as institutional buildings. I should like to ask whether or not a similar course might be considered by the government in relation to its move to establish minimum and medium security prisons.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, we have in mind and have had for some time the acquisition of suitable property in Ontario for expanding the variety of our institutions in the province. An anouncement was made recently that a property had been acquired at Gravenhurst. So far as I recall, we have no immediate plans for the acquisition of further properties, but our needs will be kept under constant review and so also will the situation at Elliot Lake.

FINANCE

BANK OF CANADA—REPORTED SALE OF SECURITIES

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): I should like to direct a question to the Minister of Finance. Has the minister noticed the question asked the Prime Minister on Monday last with respect to whether consultations were held recently between the government and the Bank of Canada concerning the recent sale by the bank of unusually large amounts of bonds and securities, thereby reducing the available money supply in Canada, and the reply of the Prime Minister that an answer would be forthcoming at the earliest possible time? Would the minister enlighten the country as to why there is a contraction of the money supply at a time of growing unemployment?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I have already been on my feet three times today attempting to answer this question so that the hon. member might not be put to the trouble of asking it again. I was made aware of the question which he asked on Monday in my absence and to which the Prime Minister indicated an answer would be made.

It is normal in this country for the money supply to contract in the month of January. In that month the Bank of Canada normally reduces its holdings of government securities in order to offset the effect on chartered bank cash reserves of the heavy post-Christmas seasonal flow-back of currency from the general public into the chartered banks.

The hon. member has added to his question an indication that what has been happening has unusually reduced the available money supply in Canada. I should like to point out to him, Mr. Speaker, that the total money supply, which includes currency in the hands of the public as well as total chartered bank deposits, on December 28, 1960 was 5.2 per cent greater than it had been 52 weeks earlier. As of February 1, 1961 the 52-week increase, that is the increase over the same date 52 weeks earlier, was 5.5 per cent.

Perhaps I might add some figures in this respect. The total money supply in Canada on February 1, 1961 was $13,763 million, and this was an increase of $718 million over the corresponding date in 1960.

Mr. Regier: I should like to ask a supplementary question. Would the minister admit that the sales of bonds and securities by the Bank of Canada exceed normal sales for the same month in other years?

Mr. Fleming (Eglinton): I will not admit what is not a fact, namely that there has been any abnormal decrease in the money supply. The actual decrease that occurred in January was confined to the weeks in which January 11 and January 18 fell, and there was an increase from January 18 to January 25 and another increase between January 25 and February 1 in the total money supply.

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to ask a supplementary question. In his answer the minister has given figures relating the present money supply to the money supply 12 months earlier. He will be aware that the money supply 18 months and two years ago was approximately at the same figure as it is today. Would he explain why there has not been an increase in the money supply comparable to the increase in the gross national product, which would be about 4 per cent in that period, and the increase in population of perhaps 3 per cent?

Mr. Fleming (Eglinton): Mr. Speaker, I think the hon. member must be well aware that parliament has confided to the Bank of Canada full authority over questions pertaining to money supply. The government has no authority in the field of monetary policy.

Mr. Martin (Essex East): It has responsibility.

Mr. Fleming (Eglinton): I think the hon. member has overlooked certain facts. The money supply in recent months has reached an all-time record, and when he speaks of the money supply of 18 months ago or two years ago may I point out that at that time it did not reach the figure that it has reached latterly.

Mr. Benidickson: Very close. About the same.

Mr. Fleming (Eglinton): I point out that the money supply on December 28, 1960 reached a figure of $13,811 million, which was $687 million more than the figure 12 months earlier. I have also given the figures for the various weeks in January. To make comparisons of increases week by week will demonstrate to anyone who takes the trouble to look up the figures that the increase in money supply between January 25 and February 1, compared with the same period a year ago, was quite substantial. I pointed out that the increase at February 1 over the same date a year ago was $718 million.

Mr. Benidickson: I referred to two years ago.

Mr. Fleming (Eglinton): I do not have the figures before me for two years ago, but I will say from memory without a moment's hesitation that the figure at this present time is considerably larger than the figure of two years ago.

Mr. Benidickson: Perhaps the minister would reply to my question tomorrow after he has looked up the information.

Mr. Fleming (Eglinton): If the hon. member wants more statistical information I point out that it is available to every member of the house in the published accounts, but if he wishes statistical information of this kind selected and put on the record of the house that information will be promptly given if he will put his question on the order paper.

Mr. Pearson: Mr. Speaker, may I ask the minister whether he is now asserting that the government has no responsibility for monetary policy?

Mr. Fleming (Eglinton): I am asserting what is a fact which apparently has not yet dawned on the consciousness of the Leader of the Opposition, that parliament is supreme and parliament has given this authority to the Bank of Canada and not to the government.

Some hon. Members: No, no.

Mr. Martin (Essex East): What a terribly weak statement by the Minister of Finance.

Mr. Pearson: An abdication of responsibility.

Mr. Martin (Essex East): An abdication of government.

Mr. Fleming (Eglinton): On a point of order, Mr. Speaker, I do not know whether you are going to tolerate statements being made, untrue statements, by the hon. member for Essex East. He puts them on the record from his seat and he ignores you, Mr. Speaker; he turns his back on you regularly. If this sort of thing is going to continue I respectfully suggest that this hon. member should be called upon to obey the rules of the house which are binding on him as well as the 264 lesser members of the house; either that, or his untrue remark should be expunged from the records of the house.

Mr. Martin (Essex East): Mr. Speaker, I simply want to say through you that it is not up to the Minister of Finance to tell me how I should comport myself in this house.

Some hon. Members: Oh, oh.

An hon. Member: Somebody should tell you.

Mr. Ricard: Nobody can.

Mr. Martin (Essex East): Mr. Speaker, I want to take this opportunity to ask the Minister of Finance, since he has given us this gratuitous lecture, if he does not now regard his last statement to the Leader of the Opposition as a complete abdication of the responsibilities of government.

Mr. Speaker: Order. If the remarks which the hon. member for Essex East made from his seat are reported, I think it would be appropriate that they be struck off the record, because they were not made in accordance with the practice of the house. I did not myself hear his remark.

If such practices are followed, then of course I have to give an opportunity to hon. members to deal with remarks made from a member's seat. It seems to me that no hon. member would want me to follow that course. The alternative is either that hon. members refrain from interrupting by remarks of that kind or, if interruptions are made, they are not noted. In a case where a comment was made I think perhaps no change should be made in the report without the leave of the house, because the record would not be complete. However, may I say to all hon. members that the course I suggested first appears to me to be the appropriate one for this sort of case, although I do not propose to follow it at this time.

Mr. Hazen Argue (Assiniboia): I should like to speak to the point of order. I believe that it would be a very serious practice if interruptions by hon. members were not placed in the *Hansard* record. We would get ourselves into all kinds of difficulty if orders went out that no interruptions by an hon. member during the course of the remarks of another hon. member were to be on the record.

Mr. Speaker: Order. Perhaps the hon. member would wait until the matter is relevant,

at which time he could make these remarks. I have indicated that I have, in effect, changed my mind from the first indication I gave, because the remark in question has been replied to and the *Hansard* record would not be complete without it.

DEFENCE PRODUCTION

BOBCAT VEHICLE—INQUIRY AS TO ORDER FOR PILOT MODELS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Defence Production arising from the reaction of disappointment at the lakehead to yesterday's announcement respecting the pilot project order for the Bobcat. If the development of the Bobcat has been completed, why is it necessary to develop further pilot models over a two-year period rather than initiate production in the magnitude of several hundred, as indicated by General Pearkes last year?

Hon. Raymond O'Hurley (Minister of Defence Production): This would be a very appropriate question to ask the Minister of National Defence, because this is an order from national defence.

Mr. Fisher: May I ask a supplementary question of the Prime Minister. I wonder if the Prime Minister, in his visit to the lakehead this week end, would discuss with the municipal authorities their views on the Bobcat and their general disappointment at what has developed in this regard.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I certainly would not object to hearing from the people. This is one of the reasons I am going to the lakehead, to get as close as possible to the people and learn what views they have.

May I say this, that the order that has been given is for some 20 of the Bobcats. I am not able to say definitely what the extra cost would be, but I think the differences in cost between Montreal and Fort William are of such a nature that all reasonable people would agree with the course that is being followed by the department.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I would like to add, if I may, to the answer I gave the hon. member for Port Arthur. I would like to give the reasons it was considered impracticable for Canadian Car Company Limited to carry out the next phase of the Bobcat program at their Fort William plant.

(1) The company has spent approximately $21 million in establishing an up-to-date and modern facility in the Montreal area.

[Mr. Speaker.]

(2) All engineering and design personnel are located at the Montreal plant.

(3) The testing facilities of the army, which will be required to be used during the preproduction pilot stage of the program, are located on the Montreal road outside of Ottawa en route to Montreal.

(4) Personnel of the Canadian army development establishment and other members of the quartermaster general's branch, who will be required to exercise very close supervision of the program, are located at army headquarters in Ottawa.

(5) The senior officers of the company who are directly concerned with this program are located in Montreal and could not be transferred to Fort William.

Following the 20 preproduction pilot models being produced, when it is possible to proceed with the production of the balance of 480 vehicles this will be determined on the basis of competitive tender. This could mean that if Canadian Car Company Limited were the successful tenderer, production of the Bobcat could take place at Fort William, provided the company so elected. However—and I want to be frank in this connection—it is extremely doubtful whether the company would be in a competitive position if the manufacture took place at Fort William.

We have given a great deal of attention to this matter and have endeavoured in every way possible to do our part to assure the maintenance of the program, but the circumstances of distance and of non-competibility, and the other circumstances to which I have made reference, determine the course in question in so far as the preproduction program is concerned.

UNITED NATIONS

CONGO—EXTENSION OF SPECIAL ALLOWANCE TO RETURNED PERSONNEL

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I should like to direct a question to the Secretary of State for External Affairs. Can the minister tell the house whether the Canadian soldiers who were injured in clashes with the Congolese and returned to Canada before December would be eligible for the special allowances to Canadian soldiers participating in the Congo action?

Hon. Howard C. Green (Secretary of State for External Affairs): This is a matter which concerns the Department of National Defence and not the Department of External Affairs. I will pass on the question to my colleague.

TRADE

O.E.C.D.—REQUEST FOR EARLY CONSIDERATION BY HOUSE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether he would consider bringing to the house for examination at the earliest possible date the agreement setting up the organization for economic co-operation and development. I ask this question, Mr. Speaker, because strong opposition seems to be developing toward that agreement in congress, where it is now being submitted for approval, and unanimous Canadian action might help in this respect.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the present plans are to introduce this measure at an early date.

JAPAN—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Finance. I asked the question yesterday of the Minister of Trade and Commerce, and I was referred to the Minister of Finance. Could the minister inform the house whether the Japanese-Canadian trade negotiations are still in progress, and could he report to the house whether any agreement or understanding has been reached?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the discussions are still in progress.

Mr. Argue: Would the minister care to comment on the press report, attributed to a member of the Japanese delegation, that unless a satisfactory agreement is reached Japan might be forced to purchase her wheat elsewhere, in the United States and Australia?

Mr. Fleming (Eglinton): Mr. Speaker, if the hon. member is referring to a press report that appeared several weeks ago, all I can say is that I was informed that the report was completely inaccurate and no such statement was authorized.

PUBLIC WORKS

VANCOUVER—EXTENSION OF STANLEY PARK SEAWALL

On the orders of the day:

Mr. E. J. Broome (Vancouver South): I should like to ask the Minister of Public Works whether he is ready to answer the question I asked him yesterday, and to which he said he would reply today.

Inquiries of the Ministry

Hon. D. J. Walker (Minister of Public Works): Yes, Mr. Speaker, there will be an item in the supplementary estimates to cover the point raised by the hon. member.

HOUSE OF COMMONS

PROCEDURE RESPECTING CORRECTION OF OFFICIAL REPORT

Mr. Speaker: There have been an unusual number of corrections of a minor nature today. The house must appreciate that there is an opportunity for every member to go to the editor's office, read the original transcript of his remarks, and make his corrections at that time. It is really a duty to do that, to save the time of the house which is otherwise consumed in making corrections which are not of great significance. Furthermore, the disadvantage of making the correction in the house is that the text has already gone out to the country in its erroneous form, whereas if hon. members would take the trouble of looking over the transcript of their remarks the report would go out in the first printed issue in the corrected form. Hon. members would not then have to rely on a correction which may never come to the attention of the person who reads the first printed text. This applies particularly if those corrections are verbal and do not involve any matter of principle or grave misunderstanding.

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I actually corrected the text. This was added after correction. This was a subtitle and could not be corrected by the member himself. That is the reason I called it to the attention of the house.

Mr. Speaker: I am not complaining particularly about the hon. member, or any hon. member. I am just pointing out that the house cannot afford to spend a considerable amount of time on having corrections made to *Hansard*. I hope hon. members will note this.

There are occasions when members may rise on a matter of personal privilege if an error in *Hansard* is creating some serious inconvenience or injury. I think that should be the criterion, and the only criterion.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO TABLING OF CORRESPONDENCE WITH PREMIERS

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, at the request of the hon. member for Bonavista-Twillingate, who will not be able to return to the house until perhaps after orders of the day, I have been requested to ask the Prime Minister this question.

With respect to the question the hon. member raised on Monday, has the Prime Minister seen fit to table such correspondence as he has received from premiers who have consented to the tabling, even if some consents have not been received?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not received the consents of the premiers to the tabling. As soon as they are received the documents in question will be tabled.

Mr. Benidickson: Mr. Speaker, I would point out to the Prime Minister that, as reported at page 1972 of *Hansard* for February 13, he replied previously to the hon. member in this way:

I think that one or two have not yet replied.

That is referring to one or two of the premiers:

If I do not have any replies from them I take it that it will be in order to table the others.

It was on that point that I wished an answer.

Mr. Diefenbaker: I appreciated that, Mr. Speaker.

ARTS, LETTERS AND SCIENCES

NATIONAL GALLERY—DISPLAY OF PORTRAIT OF MARQUIS OF LORNE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, as a socialist with some appreciation of history, on behalf of some well-known Ottawa people I wish to direct a question to the Minister of Citizenship and Immigration. In view of the fact that the Marquis of Lorne was the founder of the national art gallery in 1880, can the minister inform the house why the painting of the Marquis of Lorne, now in storage in a building on Echo Drive, is not displayed in the Lorne building?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I would like to inform the hon. member for Kootenay West that a portrait of the Marquis of Lorne by the distinguished pre-Raphaelite painter, Sir John Everett Millais, is at present hanging in the national gallery and has been hanging there since the building opened. At the present time it is not part of the curatorial plan to have two portraits of the marquis hanging at one and the same time.

Mr. Herridge: A supplementary question, Mr. Speaker. In view of the fact that there is an excellent portrait in storage which was painted years ago, why does the government go to the extra expense of having another portrait painted?

[Mr. Benidickson.]

Mr. Speaker: Order. I suggest the hon. member bring forward a notice of motion to deal with this serious matter.

CANADA COUNCIL

REFERENCE OF REPORT TO PUBLIC ACCOUNTS COMMITTEE

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That the report of the Canada Council for the fiscal year ended March 31, 1960, laid before the house on July 13, 1960, be referred to the standing committee on public accounts in order to provide for a review thereof pursuant to section 23 of the Canada Council Act.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I just want to remark how satisfactory it has been to have the annual report of the Canada Council before the public accounts committee. I wish to compliment the members of that committee, of which I am not ordinarily a member, for the way they have approached this matter, and the chairman for his work.

I did want to pay a tribute to the man who headed the Canada Council and who has since died. He was a man I did not know personally. The Hon. Brooke Claxton made a great impression on those of us who had not known him before and certainly the feeling I have to a much greater extent than I had before is that the Canada Council is an expression of one of his dreams and ambitions. He is now gone, but I hope we can all continue to see in the Canada Council the kind of Canadianism and Canadian idea he was out to express.

Hon. L. B. Pearson (Leader of the Opposition): I do not desire to hold up this motion, but this gives me an opportunity to pay my tribute to the work of the council and especially to the contribution made to that work by the late chairman and my former colleague in the house, Mr. Brooke Claxton. In doing this may I add my expression of good will to the present chairman.

I was interested to read in the press not long ago that the present chairman had indicated that more funds would be required if the council is to be able to carry out the kind of job it hopes to perform. No doubt this is one of the matters which will be considered by those concerned, and at this time I have nothing to say about that request. However, I do feel, as I am sure all hon. members feel, that the council has already abundantly justified its existence. We hope it will be able to continue that existence in a way which will make a special contribution to the development of Canada in fields other than material.

Mr. H. W. Herridge (Kootenay West): Before this motion passes I should just like to express my appreciation of the work which has been done by the Canada Council since its formation during, shall I say, what was almost an experimental period, because many problems had to be met.

I rise principally to urge that every consideration should be given to groups in the smaller communities such as little theatres and others connected with various forms of the arts and to suggest that there might possibly be some total survey made of the needs of these smaller communities across Canada. I personally am a great believer in doing even more in percentage terms for the smaller communities than is done in the cities where the opportunities are so much greater. I firmly believe that if the council can make a grant for someone to study constitutional law which I do not look upon as a cultural activity—indeed, I was rather surprised that such a grant should have been made—then, surely, the council could do something for the smaller communities which I represent.

Right Hon. J. G. Diefenbaker (Prime Minister): I thank the hon. gentlemen who have participated in this short but, I think, effective debate. It indicates the unanimity of hon. members in this house with regard to the necessity of encouraging those concerned with Canada's cultural and artistic standards.

Mention was made by the Leader of the Opposition (Mr. Pearson) of the request made recently by the chairman of the Canada Council, Dr. Bissell, who, I know, will be a worthy successor to the Hon. Brooke Claxton. Dr. Bissell and those associated with him made a presentation to the government in connection with the needs of the council and stated in relation to the scholarship and fellowship program, and to the organization representing the country's developing arts, that certain minimal additional sums would be required to meet the present needs in both these fields. With regard to the scholarships and fellowships, the request was for an additional $250,000. In addition to that, for organizations such as were referred to by the hon. member for Kootenay West (Mr. Herridge) and other artistic organizations across Canada, a further $250,000 would be required.

The income from the endowment fund for the current fiscal year is estimated to be approximately $2,900,000, and those associated with the board estimate that a further $500,000 would be required. The need of assistance for the cultural things of life are indicated by the fact that the board's representations were to the effect that in 1957-58 Canada's theatres asked for $89,000 and were granted $60,000; in 1960-61 they asked for $290,000 and were given $119,000. In connection with orchestras in various parts of Canada, in 1957-58 ten Canadian orchestras asked for $172,000 and were granted $130,000; in 1960-61 nine orchestras asked for $245,000 and were granted $205,000. In so far as the smaller communities are concerned, there are some seven or eight orchestras in such communities which need help, help which cannot now be given because grants to orchestras at the present level already account for over one fifth of the funds available for all artistic organizations.

Finally, in the field of ballet, in 1957-58 the grant asked for was $136,000 and the amount granted was just $6,000 less, while in 1960-61 the amount asked for was $225,000 and the amount granted was $160,000.

Believing, as all of us do, that there is a major need for the encouragement of the arts, humanities and social sciences in Canada —a need to stimulate the national culture— I have no doubt these are matters which will receive, and can receive, the attention of the committee to which this report will go if the present motion is passed.

May I conclude by saying that I join with the hon. member from Port Arthur (Mr. Fisher) and the Leader of the Opposition in their references to the late Brooke Claxton. He made an outstanding contribution, first in the days of war, then in the parliament of this country and, later, upon ceasing to be a member of parliament and of the cabinet of Mr. St. Laurent, by giving leadership to the arts, something that is most laudable and commendable. I appreciate the attitude taken by members in all parts of the house and trust that when the report of the Canada Council comes before the committee the commendation to the late chairman and the manner in which the council was conducted last year will be representative of what will happen again this year.

Motion agreed to.

PUBLIC ACCOUNTS

REFERENCE TO COMMITTEE OF PUBLIC ACCOUNTS AND REPORT OF AUDITOR GENERAL

Hon. Donald M. Fleming (Minister of Finance) moved:

That the Public Accounts, volumes I and II and the report of the auditor general for the fiscal year ended March 31, 1960, and the financial statements of the Canada council and the report of the Auditor General thereon for the fiscal year ended March 31, 1960, be referred to the standing committee on public accounts.

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, this motion relates to the referral of volumes I and II of the public accounts and the report of the Auditor General for the fiscal year ended March 31, 1960 to the standing committee on public accounts. The second volume referred to is the report respecting crown companies. The Auditor General has filed a separate report this year. I say "separate" because in past years the report has been a part of the large, thick volume of the details of the accounts. I commend the Auditor General for preparing a separate volume because it is certainly more convenient for those who want to deal only with the Auditor General's remarks to consult the separate small report instead of the large volume which is exceedingly bulky.

In paragraph No. 112 of the Auditor General's report he points out that the Auditor General is eligible to be appointed the auditor or joint auditor of a crown corporation and that the accounts and financial statements of 22 of the 26 corporations were examined by his audit office in the year under review. He lists those on page 54 of his report.

In paragraph No. 113 he goes on to say that the accounts of the crown corporations and other public instrumentalities set out were not examined by the Auditor General in the year under review. These are the Bank of Canada, the Canadian National Railways, the Canadian National Railways Securities Trust, the Canadian National Railways West Indies Steamships Limited, the Canadian wheat board, Central Mortgage and Housing Corporation, the industrial development bank and Trans-Canada Air Lines.

Hon. members will recognize that some of those crown companies are examined on an annual basis by committees other than the public accounts committee. Others are not examined annually but are examined only periodically. A request has been made that the report of the Bank of Canada when tabled, as it likely will be next month, be referred to the banking and commerce committee. No encouragement has been given by the government in response to that request. As I understand it the public accounts committee has not to date examined any of those crown companies which are not audited by the Auditor General. As far as I can see, in reading the authority of the public accounts committee and this motion, there is no valid reason why the public accounts committee would not be able to review all of the accounts of the crown companies referred to in part II.

I may say with respect to parliamentary review of the Bank of Canada, this has not been provided historically on an annual basis. There has been a periodic review. I suggest that a review would be particularly timely this session. In 1956 the annual report—

Mr. Fleming (Eglinton): Mr. Speaker, on a point of order, this is a very simple motion. It is the annual motion we have to refer the public accounts and report of the Auditor General to the public accounts committee. The hon. member is now talking about something that lies completely outside the scope of this motion. There is nothing here that involves the practice with respect to audit of the Bank of Canada or of the annual report of the governor. That is dealt with under other legislation entirely.

Mr. Benidickson: You will have recognized, Mr. Speaker, that I have not addressed myself to that line of argument at all. I intend to be brief and to avoid any reference to the contents of the report of the Bank of Canada for either last year or any other year. I am saying—and this is traditional at this stage in our proceedings—that this committee during the course of this session should take on the responsibility for the examination of the accounts of this crown company. I intended to go on to briefly indicate what parliamentary review we have had in recent years through a parliamentary committee.

In 1956 the annual report of the Bank of Canada was referred to the banking and commerce committee. As far as I can ascertain it was referred at the initiative of the government. I do not think that any hon. member of the opposition at that time requested that this be done.

It is true that on February 14, 1957—the next year—prior to the tabling of the 1956 report the hon. member for Greenwood (Mr. Macdonnell) did ask the minister of finance of that day if he would be able to tell the house if the banking and commerce committee would have an opportunity to review the report when presented and have the governor as a witness as was done the preceding year. The minister said that he would take into consideration what appeared to be a request. It was not a direct request.

There was a request made by me in 1959. The Minister of Finance at that time said it has not been the practice to have that report referred to the banking and commerce committee every year but that it had been done occasionally. That is in accordance with the record I have outlined.

The Leader of the Opposition (Mr. Pearson) recently asked the Prime Minister (Mr. Diefenbaker) if in view of the seriousness of interest in our monetary situation a parliamentary committee could not review the report of the Bank of Canada this year but we have had no encouragement in that

respect. That is why I rise to suggest to the chairman of the public accounts committee that as it has been the practice each year to examine the accounts of some crown companies, this year it would be most appropriate if we were to examine the accounts of the Bank of Canada.

The importance of this examination particularly arises from the fact that—and this is not something new; I readily admit this has been typical of the annual reports of the Bank of Canada—for 1959 it contains what is the normal report for a crown corporation entitled "Profit and Loss" but many people are astonished to find in connection with these important and large operations of a crown company the profit and loss account for this crown corporation—

Mr. Fleming (Eglinton): Mr. Speaker, on a point of order, the hon. gentleman is discussing something entirely outside the scope of the present motion.

Mr. Speaker: I appreciate that that is so. I thought perhaps the hon. member was relating his discussion of the Bank of Canada's report to the omission of that report from this motion and indicating that it ought to be included, but I may be mistaken about that.

Mr. Benidickson: You are perfectly correct, Mr. Speaker. In one or two brief sentences I was going to emphasize a further reason why the public accounts committee should perhaps examine the Bank of Canada report because they are accustomed to reviewing profit and loss statements. In the case of the Bank of Canada the profit and loss statement contains only this very minor amount of information. It says, "Profit for the year," so and so millions; "Paid to the Receiver General of Canada for credit to the consolidated revenue fund," the same so and so millions; and gives no statement whatsoever with respect to operating expenses and so on. It is for that reason that I make the suggestion.

An additional reason is that, rightly or wrongly, the Bank of Canada has been under attack and criticism recently by a majority of bank presidents in their annual statements. In part they have criticized the operations of the bank. Recently a number of economists across the country raised questions as to the activities of the bank and I suggest that it would be most timely, if the banking and commerce committee will not assume its responsibilities, to have the public accounts committee take the Bank of Canada as one of the crown companies to be examined this year.

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I intend to complain about the inadequacy of the motion now before us, in the light of the needs of our nation. I should like heartily to endorse the request put forward by the hon. member for Kenora-Rainy River (Mr. Benidickson). In addition to that endorsation, I intend to move an amendment to that effect to the motion now before us.

The motion is inadequate in that it does not ask the public accounts committee to investigate the annual report of the Bank of Canada. I realize that under normal conditions the banking and commerce committee might be asked to undertake this study. However, the government has refused consistently to refer the annual report of the Bank of Canada to the banking and commerce committee for consideration, and I see no logical reason, as has been said already, why the public accounts committee ought not to be asked to undertake this responsibility in addition to the responsibilities called for in the motion. I happen to be a member of both committees and I notice that in the main the membership of the committees is almost the same. Identical members of the house happen to be on both the banking and commerce committee and the standing committee on public accounts.

Earlier this afternoon mention was made of our gravest national problem, namely unemployment. The operations of the Bank of Canada are urgently in need of review because the actions of the Bank of Canada have such an important bearing on the level of employment in our nation. Our whole economic welfare is dependent upon the actions of the Bank of Canada.

As recently as this afternoon the minister attempted to divorce himself and his responsibility from the actions taken by the Bank of Canada. If the minister's contention is to be given any weight at all—I personally feel the minister is completely wrong in his denial of responsibility for the actions of the Bank of Canada; however, if—

Mr. Speaker: Order. The hon. member is going certainly afield when he attempts to debate the question of responsibility of the minister for the Bank of Canada on a motion to refer to the public accounts committee certain specific items which are named in the motion.

Mr. Regier: As you indicate, I may have gone a bit beyond the rules. However, I indicated I do intend to move an amendment at the conclusion of my remarks.

Mr. Speaker: The fact that the hon. member intends to move an amendment does not give him any greater scope in debate than he has on the motion. I hope he will keep to

the main purpose of this motion which is to determine whether certain specific matters shall be referred to the public accounts committee, namely volumes I and II of the Auditor General's report and the financial statement of the Canada Council and the report of the Auditor General thereon.

Mr. Regier: In that case, Mr. Speaker, I will have to move my amendment now in order to make the rest of my remarks in order. I should like to move, seconded by the hon. member for Port Arthur (Mr. Fisher):

> That the motion now before the house be amended and that after the comma following 1960 there be inserted the words "and the latest annual report of the Bank of Canada".

The motion as amended would then read:

> That the public accounts, volumes I and II and the report of the Auditor General for the fiscal year ended March 31, 1960, and the financial statements of the Canada Council and the report of the Auditor General thereon for the fiscal year ended March 31, 1960, and the latest annual report of the Bank of Canada, be referred to the standing committee on public accounts.

My reason for moving this amendment, Mr. Speaker—

Mr. Speaker: Before the hon. member gives any reasons perhaps he should give me any authority which would permit an amendment to be made which changes the character of the motion. This amendment introduces new matter into the motion. It is not an amendment; it is really another motion, which clearly would require notice. It is to refer the report of the Bank of Canada to a committee.

Mr. Regier: It is my humble submission that our public accounts are affected by the activities of the Bank of Canada, and the motion now before us lists an assignment to be undertaken by a standing committee of this house. My amendment merely adds to the specific work load, if you wish to call it that, of a committee that has already been established. I do not think that new matter is being introduced at all, because the activities of the Bank of Canada are tied in directly with the consolidated revenue fund of the Dominion of Canada.

Mr. Speaker: I do not know whether the minister has anything to say on the point?

Mr. Fleming (Eglinton): Not at the moment.

Mr. Speaker: My recollection is—I have not had a chance to verify it by reference to specific authority—that a motion of this kind to refer matters to a committee is amendable only within the terms of the original motion which, of course, is in line with the principle that relates to amendments generally. Citation 203 of Beauchesne's Parliamentary Rules and Forms, fourth edition, states the principle in paragraph 3, as follows:

> An amendment setting forth a proposition dealing with a matter which is foreign to the proposition involved in the main motion is not relevant and cannot be moved.

That citation does not refer specifically to this particular kind of motion; it deals with all motions. I will hear the hon. member again. I want to be satisfied that the course I have indicated is correct.

Mr. Regier: I should like to submit for your consideration that the public accounts of Canada involve the whole of the consolidated revenue fund of the government of Canada. The minister, on behalf of Canada, is the only owner of the Bank of Canada. The Bank of Canada is by its own legislation appointed as the fiscal agent of the government of Canada. I feel that to discuss the Bank of Canada when we are discussing the over-all and detailed financial operations of the government for the preceding year is very much in order, and that no new and different subject matter is added to the motion by the terms of the amendment.

Mr. Fleming (Eglinton): Mr. Speaker, I should have thought the point was so very plain that it would not indeed have been raised. This is a motion in the time honoured form. It has become practically an annual motion; the form of it was changed only after the Canada Council was brought into being and was enlarged simply to include, as the present motion does, the accounts and the financial statements of the Canada Council and the report of the Auditor General thereon.

What is attempted in the present amendment is to introduce something quite different and quite outside the scope of the motion. The motion contemplates a reference to the public accounts committee of certain specified documents. First, there are the two volumes of the public accounts for the fiscal year ended March 31, 1960 and, second, the report of the Auditor General thereon. Third, there are the financial statements of the Canada Council and, fourth, the report of the Auditor General thereon.

That does not open the door for any hon. member to tack on the motion everything that occurs to him might well be considered by this committee. That would be opening the door to importing into such a motion matter that is entirely foreign to the motion. The public accounts committee can have referred to it many matters but a motion of this kind does not open the way for hon. members to

add to the motion everything that it may appear to them desirable to have considered by the public accounts committee.

I point out, Mr. Speaker, that there has been no little misapprehension indicated already in this matter. The Bank of Canada does not make an annual report. It is the governor of the Bank of Canada who makes a report and, so far as audit is concerned, the auditor general has no function whatsoever with respect to the Bank of Canada. Parliament's own legislation has provided for the appointment of auditors to the Bank of Canada. The power is given to the governor in council to appoint auditors for the Bank of Canada annually. The provisions of the legislation are quite specific on that point. The public accounts do not include the report of the Bank of Canada at all. It is a quite separate report and it comes to the minister annually about the middle of March. So, Mr. Speaker, the amendment purports to deal with something that is very different in nature from the documents that are specifically referred in the motion itself and are proposed to be referred to the committee.

I began, Mr. Speaker, by referring to the fact that this is a traditional motion. I do not recall any previous occasion when the motion was even debated. It has always been in this standard form. Normally it is the desire of all hon. members to have the public accounts and the report of the Auditor General thereon referred to the committee, and it seems to me that the discussion that has taken place this afternoon has just been a way of planting in the minds of hon. members the idea that such a motion can be amended by dragging into it anything that an hon. member thinks appropriate to refer to the committee, and in my respectful submission that is certainly not within the procedure of the house.

Mr. Speaker: In the chapter in Beauchesne dealing with motions and amendments there are two citations, Nos. 202 and 203, which deal generally with the matter. I cannot see that the hon. member can bring his proposed amendment within the scope of the rule because it calls for quite a different reference from those now in the motion. It is true that such a motion can be made as an independent motion on notice but without notice it seems to me it offends the rule because it does deal with a completely different reference to the committee. I regret, therefore, to inform the hon. member that I cannot accept the proposed amendment.

Motion agreed to.

WAYS AND MEANS

The house in committee of ways and means, Mr. Flynn in the chair.

CUSTOMS TARIFF

Resolved,—That it is expedient to introduce a measure to amend the Customs Tariff and to provide:

1. That the said act be amended by adding thereto immediately after section 2 thereof the following section:

"2A. (1) For the purposes of this act, goods shall be deemed to be of a class or kind made or produced in Canada if

(a) in the case of goods other than goods custom-made to specifications, goods of approximately the same class or kind are made or produced in Canada; and

(b) in the case of goods custom-made to specifications, adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time.

(2) Notwithstanding subsection (1), goods other than goods custom-made to specifications shall be deemed not to be of a class or kind made or produced in Canada unless at least ten per cent of the normal Canadian consumption of goods of the same or approximately the same class or kind are made or produced in Canada.

(3) The decision of the minister shall be final with respect to the following matters:

(a) the normal Canadian consumption of the goods described in subsection (2), and

(b) whether goods are custom-made to specifications, and whether adequate facilities exist in Canada for the economic production of such goods within a reasonable period of time."

2. That subsections (9) and (10) of section 6 of the said act be repealed and the following substituted therefor:

"(9) For the purposes of this act, notwithstanding section 2A, goods may be deemed to be of a class or kind not made or produced in Canada where similar goods made or produced in Canada are not offered for sale to the ordinary agencies of wholesale or retail distribution or are not offered to all purchasers on equal terms under like conditions, having regard to the custom and usage of trade."

3. That subsection (4) of section 6A of the said act be repealed.

4. That any enactment founded upon this resolution shall be deemed to have come into force on the 21st day of December, 1960, and to have applied to all goods mentioned therein imported or taken out of warehouse for consumption on or after that day, and to have applied to goods previously imported for which no entry for consumption was made before that day.

Mr. Benidickson: Mr. Chairman, it is more than a week since we last discussed this resolution. I know that in the interval the Minister of Finance has made a very brief trip to western Canada. I rather thought that with the introduction of this resolution again he might come forward with some amendment to his proposals because I am sure while he was out there he heard a considerable amount of indignation expressed with respect to the arbitrary powers being taken by the ministry under the proposed legislation, the elimination of appeals to the tariff board and to higher courts, which practice has been in effect for years, and so on.

I certainly know that the interval has been a fortunate one as far as the public are concerned because since we last discussed the matter it has become very apparent that

there is widespread apprehension in the country as was expressed by members of the opposition when the resolution was introduced. As I recall, hitherto in our discussion of this subject the debate has centred on two matters, neither of which I propose to deal with at this stage although I will certainly raise my voice with respect to them at later stages of the debate.

I refer first of all to the question of arbitrary power and the elimination of appeals to the tariff board and, second, the adverse effect that these proposals will have, particularly with regard to machinery, on other producers, on manufacturers, on end users and the effect it will have on efficiency if something less than the best machine proves prohibitively expensive for the people whom we are trying to encourage to get into production so efficiently that they will be able to meet the exceedingly keen competition of the world and enlarge our exports. As I say, I am not going to deal with those two matters at this time.

I want to remind hon. members that the Minister of Finance and the Minister of National Revenue put very much foremost in their arguments the point that there is nothing really new in this legislation except that it will result in a return to the law with respect to the administration of the "class or kind" provisions that was operative prior to 1950, a decade ago. It is very flattering to have the new administration suggest that they have no new principles to offer with respect to this form of customs administration and that they admire and are returning to the practices of the Mackenzie King government and the Liberal principles with respect to customs that were operative prior to what they call the erosion which they say has taken place in the last ten years.

So far as that rather bland form of approach to this debate is concerned, I want to say that it has no foundation in fact whatsoever. I think I can demonstrate that both ministers are exceedingly naive if they think they can spoof the House of Commons, even members of their own party from areas where exports are vital, into thinking that this is simply an innocent return to a long time practice, a practice that was particularly typical and had the endorsation of the Liberal party which is known to be a party that is anxious to expand trade.

The other assertion with which I should like to deal and which I think is equally naive is that our partners in GATT will accept the minister's proposals in this legislation as nothing new or of much consequence to them, but merely a return to the situation which was in effect in Canada with respect to customs administration when the GATT agreement was originally signed in 1947.

I should like to direct the attention of the committee to the interpretation that the two ministers have given that the decisions of the tariff board in the decade create an erosion. I think it was the Minister of National Revenue who had this to say in the course of the debate—this is the type of approach that I do not believe they expect the opposition to accept, nor is it going to salve the conscience of their own supporters who would be horrified if they really studied this proposition and realized some of the implications that will flow from it in the matter of stifling trade and that will affect their constituencies in western Canada, the maritimes and other areas. I said there was a straightforward claim that this was a return to Liberal tariff doctrine. I should like to quote from the remarks of the Minister of National Revenue as recorded on page 1688 of *Hansard* for February 2, 1961:

> We are not going back to the days of R. B. Bennett; we are simply going back to the practices which were pursued, and I think properly so, by the government of Mr. Mackenzie King, and those associated with him up until at least 1950.

I want to establish, and I think I can very clearly the rather substantial difference with respect to some facts that I will give as to the legal decisions that have been given in the last 10 years in tariff board decisions, and the very inaccurate, rather casual interpretations that were given by both ministers in the course of the debate so far. I hope members of the government party who are not sympathetic to high tariffs will note these remarks with care.

I should like to refer particularly to the shovel case which both ministers emphasized, and I think properly so, because the case with respect to the dipper size of the shovels was perhaps the one that received the greatest amount of attention in litigation during the past 10 years. There were two appeals one of which went to the exchequer court and to the supreme court. These ministers are trying to convince their followers and the country that the final result was a judgment that was contrary to the practices and to the decisions of the tariff board as they existed some 10 years earlier.

In order to indicate the rather casual way in which this matter has been presented to the committee I should like to refer to page 1698 of *Hansard* for February 2, 1961. In so far as the shovel case is concerned, the Minister of Finance did not think this was worth going into in very much detail. He shrugged his shoulders and said that all members of the committee would understand how petty it is to suggest, as the tariff board did, that a

shovel of 2.5 cubic yard capacity is not made in Canada and the maximum size of shovel made in Canada is two cubic yards, the tariff board was being unduly restrictive in that interpretation.

The minister did refer to one appeal, appeal No. 306, but inadvertently or otherwise it is a great surprise to me to find that no reference whatever was made by either minister when they were reviewing this so-called erosion to the original and basic appeal with respect to shovels, which was appeal No. 272. The tariff board, in appeal No. 272, came to this conclusion:

The obvious purpose of tariff item 427a—

This 427a is an item in the tariff which was inserted by the Liberal administration for the purpose of establishing that if goods of a class or kind, of iron and steel and they are mostly machinery items, were not in fact being made in Canada, the importer of those articles would not be obliged to pay the 22½ per cent most favoured nation rate but, on the contrary, would be allowed to have machinery that was the most efficient and suitable without the burden of a high tariff and would pay a low tariff of 7.5 per cent if imported from the United States or free if imported from the United Kingdom.

The tariff board report states this:

From the standpoint of the user, domestic machinery is not "available" unless such domestic machinery is precisely suitable for the purposes he has in mind. On the other hand, it would deprive the domestic manufacturer of the protection to which he is reasonably entitled were he required to supply a more or less precise duplicate of a particular foreign machine in order to take the latter machine out of tariff item 427a.

The correct interpretation of these two items would appear to require, therefore, the exploration of a middle ground between two impractical extremes, in which connection it is of assistance to ponder again the wording of section 6 (10) of the Customs Tariff Act, as set out earlier herein.

This is the section which is now before us for elimination.

When subsection 10 is read with the wording of tariff item 427a in mind, it is clear that the word "quantities" as used therein would appear to contemplate a counting of pieces of machinery. That being so, it must follow that the subsection contemplates further the counting of pieces of machinery of sufficient similarity, the one to the other, to make the exercise in arithmetic at least a matter of common sense. Similarity sufficient in degree to make sense of the counting must presuppose a reasonable degree of narrowness in the grouping or classification. Therefore, reading subsection (10) along with tariff item 427a, it would seem obvious that the classifications contemplated under the latter must be sufficiently narrow to give to subsection (10) reasonable meaning and effect. Contrariwise, the very broad classification of the tariff item contended for by the appellant would reduce this parallel section of the same act to an absurdity—apart altogether from which, his proposition as advanced does not commend itself as a sensible and practical basis for classification of "all machinery . . . not otherwise provided."

What was the result of that decision? Did that decision upset what the administration had invoked? Was there erosion of the decision of the customs department and the deputy minister? Did it run counter to made in Canada orders that had been standing with respect to these items for quite a number of years? Is this typical of the erosion that hon. members say has taken place?

On the contrary, the tariff board confirmed the ruling of the administration. The department had itself, as it does all the time, made inquiries as to what types of shovels were in fact being made in Canada and what shovels of other dimensions were not being made in Canada. In a regular way the department issued to the trade their periodic declarations as to what machinery would bear the made in Canada rate, which is high, and what imports would bear the not made in Canada rate, which is relatively low.

This is very clear. Not within the last ten years, but prior to that there was this declaration by the department itself that shovels of a size in excess of two cubic yards were not in fact being made in Canada, and on that occasion the tariff board simply confirmed what the administration said was the fact.

There was no erosion there. But what happened? I think this decision on appeal No. 272 was rendered in about March of 1953. Very shortly afterward the administration was persuaded to issue a new order with respect to what shovels were made in Canada and what shovels were not made in Canada. They decided that they could add to the top one size beyond what was known to be actually made in Canada at that time, and at the bottom of the list they could add another size smaller than that known to be made in Canada.

So that was followed by another appeal, and it is this second appeal numbered 306 only to which we have had reference to date by the ministry. As I say, there was a recent decision from the tariff board; the actual situation with respect to manufacture had not changed. But there was another appeal when this administrative order went out contrary to the decision in appeal No. 272. Of course, the tariff board simply took exactly the same position with respect to appeal No. 306 as it took with respect to appeal No. 272. But I am sure the interesting thing to hon. members is, what was the possibility of having this two and a half cubic yards shovel produced in Canada? Was this a ridiculous, silly narrowing of the size in the judgment of the tariff board?

The Minister of National Revenue sneered at the decision that a two and a half cubic yards shovel was said not to be made in

Canada. In so many words he said, "We had people unemployed", and how ridiculous it was for the tariff board to say that a two and a half cubic yards shovel was not made in Canada and set a limit at two cubic yards.

Mr. Brunsden: Would the hon. member permit a question? In the hon. member's opinion is there any relationship between the size of the shovel and usage in various capacities in Canada?

Mr. Benidickson: Not in so far as the decisions of the tariff board were concerned in respect to this particular article. There is a very wide variety of criteria that are taken from article to article. In this case there was general agreement. I do not think there was any quarrel on the part of the appellant or the department that in this case the best criterion was dipper size.

I just want the committee to see how justified was the Minister of National Revenue when he made this sneering reference to the decision of the tariff board, which the government claims was in effect an erosion of long standing law, when the board declared anew that a two and a half cubic yards shovel was in fact not being produced in Canada in 1953 and 1954 and therefore the importer who required that size of shovel for efficiency should pay a rate of 7½ per cent instead of 22½ per cent. The government says this even though the evidence was clear that the shovel was not produced in Canada.

This was in 1953-54. In 1958, five years later, there is information with respect to the manufacturer who was appealing to the tariff board about the import in 1953 of a two and a half cubic yards shovel at a lower rate than if it had been declared made in Canada. I have here an article from the Montreal *Star* dated May 24, 1958, five years later:

Industrial giant shown—Duplessis says feat example of progress.

I wish to quote Mr. H. G. Welsford, president and managing director of Dominion Engineering. This was an affiliate company of the company that had been complaining of the import at a lower rate five years earlier. Both ministers were trying to persuade this house that there was very little difference between a 2 cubic yards shovel and a two and a half cubic yards shovel. I wish to quote from some of the remarks that were made five years later about this two and a half cubic yards shovel.

"The '550' shovel—

That is the trade number of the Canadian manufacturer in 1958:

—is larger by a half cubic yard than any other made in the country.

[Mr. Benidickson.]

This statement is made, five years after they were trying to impose a heavy tariff on the importer of a two and a half cubic yards shovel.

—the machine represents an investment of $1 million—

And this is the point:

—along with five years of research, design, component and prototype testing.

This is the kind of erosion that the ministry are suggesting took place during the past decade, which requires this drastic type of customs revision giving ministerial discretion and elimination of appeals.

We saw very clearly that when they were reporting to the house what this shovel litigation was all about they wanted hon. members to get the impression—I particularly want to impress the members of the Conservative party—that the difference between these two shovels was very minor indeed. Well, you can see that if $1 million was required in investment, and five years in time, to get a two and a half cubic yards capacity shovel available in Canada, the difference was certainly not one of a minor nature.

I want to know if in the opinion of the government in the meantime, with no two and a half cubic yards shovel available in Canada, importers of shovels should have had a 22½ per cent rate imposed on them instead of 7½ per cent. The burden of tax for these five years would fall on those large shovel users engaged in primary construction work, and so on, and those who pay the contractors. Those who pay for it are largely the taxpayers of the country, because much of this work is public works, which eventually gets into public costs and taxes. It was apparently expected by the appellant that while he took five years to produce this kind of shovel the additional burden should be placed not only on the importer but eventually upon the end user.

Now let us come to evidence during the appeal itself and see whether there was any erosion, whether there was any change in the law. During appeal No. 272 where it was decided that a two and a half cubic yards shovel was in fact not being produced in Canada—and I say that was not contrary to the ruling of the department—the board simply confirmed what the customs officials at that time had said. The government was represented by Mr. Henry, now the lawyer in charge of the combines investigation branch. He argued that the department's ruling was in accordance with long term practice. One of the witnesses was Mr. Scully, who was appointed by Mr. Bennett in the thirties to be his commissioner of customs which is the equivalent of deputy minister status today.

Mr. Scully in giving evidence said he had gone very carefully into this matter of the made in Canada and the not made in Canada decision with respect to shovels when he had been commissioner of customs, and he gave testimony that for 17 years the practice had been the same. So where is this new erosion, and how is this administration going to suggest that what is offered here is simply a restoration of the practice which was operated in the customs branch during Mackenzie King's regime? I say that in addition I can quote countless examples of what I call declarations of rulings by the department as to what is made or not made in Canada, and these rulings establish very clearly that it was a long standing practice of the customs branch under these rulings to make declarations such as were made in the shovel case and in many other cases, based on dimension, based on size.

I indicated previously that the second appeal arose simply because the administration, within a matter of a few weeks, went beyond what had been decided by the tariff board and decided to increase what the Minister of Finance called the range of sizes to a size lower and a size larger than what were in fact made in Canada, and they lost the case. But they would have lost the case 17 years earlier, because the commissioner of customs indicated that even during the period of Mr. Bennett's administration this would have been his decision with respect to grading as to sizes.

That is one of the cases. I am quite prepared to deal at a later date with some of the other cases which have been referred to, including the .22 rifle case where the Minister of National Revenue deprecated the distinction that we made between automatic and non-automatic rifles, saying this meant very little. Mr. Chairman, it means quite a lot to the importer if you have, in fact, no Canadian production, or Canadian production which does not equal 10 per cent of the consumption in Canada; it makes a good deal of difference to the importer whether there is to be imposed on that article a made in Canada 22½ per cent rate on the basis of some fiction that they are made in Canada.

After this case had been concluded I think an Ottawa editor summed it up very well. I refer to an editorial which appeared in the Ottawa *Citizen* on March 20 which said:

> The tariff board has just handed down a decision of exceptional importance. But because it makes no change in an existing situation, the average Canadian is apt to pay little attention to the outcome of the case, which has to do with machinery.

This is referring to the shovel case. The article continues:

> In this respect, he is like a man who never realized how close he came to being hit by a truck.
>
> The board was asked to be judge in a dispute between the national revenue department and a manufacturer of power cranes and shovels. The latter pleaded that all such machines, regardless of size, should be treated by the department for duty purposes as "of a class or kind made in Canada." The department has taken size into account in making its rulings, and has found that power cranes and shovels with a dipper capacity of from one-half cubic yard to two cubic yards are of a kind made in Canada, and that smaller and larger types are not. Thus a limited range of machines is protected by a tariff of 22½ per cent; all others carry a 7½ per cent rate.
>
> Had the objecting firm succeeded in its claim, the higher rate of duty would have applied across the board. There would have been an immediate increase in costs of all sorts of private and public construction works making use of big machines. Some of these draglines, such as will be used for example in building the St. Lawrence seaway, are of fantastic size, with capacities ranging up to as much as 50 cubic yards.

So it is plain, Mr. Chairman, that for all this it is the public, in the end, who would have to pay the price.

Mr. Pickersgill: This small difference between two and two and a half cubic yards to which the Minister of National Revenue referred and that he made light of, according to the man who developed the new plant which was opened—as reported by the Montreal *Star* of Saturday, May 24, 1958—had taken $1 million of capital investment and five years' research, designing components and prototype testing, to produce. Yet the minister has the effrontery to come in here and tell us that this was an erosion of some previous practice. The plain fact is that for some reason or other which he no doubt knows himself the deputy minister made a ruling, after an appeal, which was not in conformity with the previous ruling of the department and the tariff board and the courts upheld the previous ruling. The minister has given us one or two other examples of this so-called erosion.

Mr. Fleming (Eglinton): I gave references to seven decisions altogether.

Mr. Pickersgill: Before we will be satisfied to let this resolution pass we will want the minister to give us a lot more detail and concrete illustrations concerning what this erosion really amounted to and we will want him to put on the record the rulings of the department in these cases before the appeals were taken, because in such appeals as I have examined the appellant was not the department and the appellant was not the person who wanted to have the ruling of the administration confirmed. The appellant was someone who wanted to upset the customs ruling as was the case, of course, on the first occasion on which this shovel case was taken. That was certainly also the case in one of the

other situations I have examined since the minister made his statement. The appellant was seeking to upset the decision of the customs branch, and it was not someone else seeking to have it upset. In other words, the tariff board agreed with the administration and did not disagree with it. There obviously could not be this erosion unless the tariff board disagreed with the customs branch. At least, if I understand the word, that is all it could possibly mean.

I wanted not to add any new arguments but simply to reinforce what had already been said by the hon. member for Kenora-Rainy River and to say that we will expect the minister to produce chapter and verse for this erosion and to tell us the decisions made by the customs branch before these appeals were taken that were upset on appeal and to show why they were upset instead of merely referring to the numbers of cases.

Mr. Benidickson: Mr. Chairman, as hon. members know, my time was limited when I spoke previously and I did not have an opportunity to deal with the second point to which I wanted to refer and that is these assertions of the Minister of Finance that these Tariff Board decisions in the last decade were in effect what he called a windfall in so far as our partners in GATT were concerned and that there is now a wider opportunity for importing into this country to their advantage than was the situation as it obtained in 1947 and 1948. We entered into these agreements in 1947 and in 1948 made certain amendments to our Customs Act in order to comply with these important agreements into which we had entered.

The Minister of Finance I know was out in Winnipeg the other day and did his best to convince what was a rather hostile audience out there, as I hear it, that he was one of the closest adherents to GATT and that this and the 1958 legislation and so on were—

Mr. Fleming (Eglinton): There was no hostile audience out there in my experience.

Mr. Benidickson: That is not the way I heard it.

Mr. Fleming (Eglinton): The hon. member did not hear it correctly.

Mr. Pickersgill: Maybe the minister is not a very good judge of hostility in audiences.

Mr. Fleming (Eglinton): The minister is an excellent judge of the hostility of the misleading remarks to which he is now listening.

Mr. Benidickson: The minister may have been busy reading his speech and not recognized the hostility.

Mr. Fleming (Eglinton): The hon. member is speaking for the Winnipeg *Free Press* again.

[Mr. Pickersgill.]

Mr. Benidickson: I read the Winnipeg *Tribune*. Does the minister want me to read what the *Tribune* has to say about this legislation?

Mr. Fleming (Eglinton): The hon. member has just been parroting what the Winnipeg *Free Press* has been saying in its misleading editorials.

Mr. Benidickson: I will not refer to the *Tribune* at this moment. I know about the great fight the minister has been having out in Winnipeg with the Winnipeg *Free Press*. I did find, however, that the interviewer certainly reported the minister accurately because the things I read in the news columns of the Winnipeg *Free Press* were identical with what the minister said here and which I say are quite unacceptable to me and I think they should be unacceptable to many hon. members of the minister's own party after further consideration.

I will not deal with the question of GATT at this time but I wish to come back to it, read from the GATT agreement and ask hon. members of the committee if they can take at face value some of the statements respecting GATT made by the minister on budget night and during the course of this debate.

I did not have an opportunity when I spoke earlier to pinpoint fully the fact that there is nothing new in this decision based on dimensions and fairly precise measurements and standards of criteria prior to the last decade with respect to the administration of made in Canada and not made in Canada.

I have here a memorandum with respect to made in Canada dated February 22, 1937. It refers to special steels. With respect to ingots, it says that the made in Canada ruling refers only to those of a dimension of up to 24 inches by 26 inches cross section. With reference to billets it says the ruling and distinction with respect to what is and what is not made in Canada is limited to up to billets 12 inches square. In 1948, at about the time of GATT, we had a similar departmental ruling to the effect that an article such as the metal frame for a bag would be considered made in Canada provided it was not over 10 inches. That is very precise. We had another one in 1948, which said that power lawn mowers had been transferred from the category of a class or kind not made in Canada to that of a class or kind made in Canada provided they had a cut of from 18 inches to 30 inches inclusive.

At about the time of GATT in 1947 we had one saying that foundry jolt squeeze moulding machines, 10-inch and 12-inch sizes, had been transferred from the category of a class or kind not made in Canada to that

of a class or kind made in Canada. Is this taking in the whole class? Is this the type of ruling the minister said was made under the Liberal administration under whose name and reputation in trade matters he is now attempting to sell this particular legislation?

I referred earlier to Mr. H. D. Scully. This refers to the shovel case. I did not have at my fingertips the actual reference to the testimony Mr. Scully gave in that case but I have it now. Mr. Scully's statements are recorded from pages 367 to 371 of the appeal with respect to case No. 272. Mr. Scully said:

> These rulings have been in effect now for some 17 years. We were at great pains, as I say, to investigate, and had we ruled at the time on the basis of all earth moving or rock movement or equipment of the nature that is under consideration, or had we ruled in accordance with the total amount imported in any one year or produced in any one year in Canada—had we ruled on that basis, the company would not have got the ruling they did—

Because they needed a ruling under present law that 10 per cent of the consumption in Canada was in fact of a class or kind of article made in Canada. He went on to say:

> The minister, as I say, was most meticulous and we were trying to do the best we could under the circumstances and we had to narrow the sizes and types of shovels that were made at that time in order to qualify under the law at all.

This was to the advantage of the appellant. This type of thing has not disappeared. Trade and industry are similar today to what they were a decade ago and more. We have emphasized the importance to an industry starting up to operate efficiently, getting the best possible equipment; and particularly if the consumption in Canada is not to the extent of 10 per cent of our requirements, an importer of machinery and articles of that type going into production and manufacturing should not have an undue burden of tariff placed upon his operations.

We had a case in 1960, under the present administration; I refer to appeal No. 450. I think this is indicative of the type of problem that we feel is worthy of attention by members of the government who I am sure are anxious to see industry get going and not have a burden placed upon it at the start that will make it inefficient either to the extent of having to put out a higher price to the Canadian end user or have costs established for them by the original tariff which would make it impossible to compete in outside markets.

This appeal was heard by the new tariff board, the personnel of which I believe were not members of the board at the time the other decision was made that I have referred to. The decision was given on September 12, 1960. The argument here was whether a horizontal vacuum tilting pan filter was of a class or kind of filter within the meaning of item 427a; in other words, not made in Canada. It was agreed that tilting pan filters were not made in Canada. We have a new government in office, and here the department seems to be arguing the other way. I quote from the judgment:

> However, counsel for the department adduced evidence relating to a Dorr-Oliver-Long scroll discharge filter of Canadian manufacture and submitted that, while not identical with the pan filter, it was similar to it and therefore was of the same class or kind.

This is under the new administration. The officials now took the other side of the argument in a case of this kind and they are met with an appeal by the importer. What did the brand new board decide in 1960 in connection with this case? I read from the judgment:

> The appellant, which operates both scroll type horizontal filters and tilting pan filters, in one particular process, in various locations, gave evidence that the efficiency of the pan filter for their particular operation was much greater and that its considerable additional costs could quite easily be recovered from savings in the first year's operation.

The decision was:

> The imported tilting pan filter differs substantially from the scroll discharge filter in design, in method of operation, in cost, in principal use and efficiency in certain uses. On the evidence adduced in this appeal the board finds that they are not of the same class or kind.

I ask the committee whether, in this loosely drawn legislation before us, we would get a decision such as this from the minister? This is not a shelf goods item; this is perhaps a made to order item. What is the minister going to do? Here is a producer who has made up his mind that this one type of filter is so efficient that he could recover from savings in the first year's operation the additional cost in connection with it. It was a more expensive filter than the Canadian made filter. To be efficient this is what he wanted. Under the new law, what is the minister going to do? Is he going to say that, using the word "approximately" and taking advantage of the personal discretion that is given to him alone—his decision is no longer going to be appealable to the tariff board—the official's contention was right? What is his decision going to be in a situation such as I have outlined in this recent case where, very fortunately, I think, for efficiency in production, the new members of the tariff board appointed by this administration interpret the law in the same way as I have indicated it was interpreted for years. There was a very definite distinction arrived at. They said that it was not necessarily one of size.

In answer to the question raised by the hon. member for Medicine Hat earlier, may I say it does not always have to be determined by dimension or size. In the particular case to which I have reference the board said that on the evidence adduced the filter differed substantially in principal use, efficiency, method of operation, design, and so on. Here the department intended to tell this importer that he could not have this efficient machine; that he had to take something that was second best. I assume that under the new law there will be no appeal; there will be no necessity to look at decisions and results. Nobody in the country will know the precedents. This is the kind of thing that will be coming forward. Our people will be denied information or appeal and I do not see how this is going to help secondary industry in the country to become efficient.

Mr. Fleming (Eglinton): A frightful travesty of the facts.

Mr. Pitman: I rise to make a few short remarks, and I hope they will be my last remarks on this particular amendment. I rise as the result of the remarks made by the Minister of Finance on February 3, at page 1729 of *Hansard*, in which he said that my particular speech:

> —was just about as inimical to the interests of labour in Canada as I suppose any speech that any of us has heard in this chamber for a very long time.

I must say that I was rather flattered by the fact that the minister took such great note of what I had to say. In the few weeks I have been here I rather suspected there was a kind of social system here whereby those of us in the back reaches of the chamber were not particularly of any interest to those who were on the government front benches. But none the less, I was particularly horrified by what the minister said because I had a great deal of admiration for the Minister of Finance, knowing his high sense of proportion and his love of accuracy and as a man who was a member of the legal profession and was in a position to evaluate evidence. However, when I came to read his speech I was very concerned because he accused me of talking as though this legislation were the expression of a high tariff policy. I refer hon. members to page 1729 of *Hansard*. What did I say at page 1711 of *Hansard*? Let me quote again:

> I suggest that the proposed amendment, though not one which may immediately bring about higher tariff policies, is none the less an open door toward future higher tariffs.

What I was suggesting was that there was a trend, a possibility that in the future this

trend would continue. I expressed my concern not so much with this particular amendment. I am sure the minister has read my speech now and he will realize I was not expressing my concern as much with this amendment as with what had been said both on the part of the minister in his exchanges with the hon. member for Laurier and also on the part of his supporters in introducing a note of confusion that this was indeed a high tariff policy to protect Canadian industry.

Perhaps more than anything else I was appalled by the expressions of the opinion that really the only concern labour had was for high tariffs. I quoted from two documents which had been issued very recently and the minister himself indicated that he could remember a conference two years ago when this was not the case. I can only submit at this time that there has been a great deal of re-thinking of the whole tariff question as to high tariffs and low tariffs and not all of that thinking has been in the direction of high tariffs.

Possibly the minister now has on his desk some communications from labour organizations in which high tariffs are demanded. I would certainly hope so. I would expect there would perhaps be a few who might think differently but I am suggesting that the trend in the case of the majority is away from high tariffs, and I hope the minister will take notice of this fact.

I was particularly disturbed by the intemperate remarks regarding the ability of the present member for Peterborough to express the views of his constituents. I do not think we are here to rehash by-elections, and I will only say that I have expressed the same opinions in the house as I expressed on the hustings and that as far as I know these are the opinions of those who cast their votes on my behalf. I might say that the party represented by the minister lost half of its votes in that particular by-election in spite of having the best possible candidate and therefore I do not think his opinions necessarily reflect the views of the people of the constituency any more than mine do.

As found on page 1730 of *Hansard*, the minister made another misquotation when he said:

> Here we have an hon. member saying that dumping may be a legitimate trade practice.

Of course, I said nothing of the kind. As found on page 1712 what I actually said was:

> —what we call dumping may be regarded as a legitimate trade practice of the nation . . . on the other side of the fence.

That is not the same as saying that I am in favour of dumping or that I do not recognize

there is a definite difference between legitimate trade practices and dumping.

In the very few minutes I have I can only repeat what I said before. My opposition is based on the fact that this amendment could possibly restrict trade, that this may be indeed a great national policy as our newspapers and magazines are suggesting, and that no realistic appraisal of our tariff structure would indicate that higher tariffs are needed. However, if this re-definition of class or kind made in Canada is going to bring about more employment, I am extremely happy to hear it and before the debate is over I hope the minister will stand up and on the basis of his no doubt considerable degree of knowledge of my constituency indicate how reclassification will help employment in the Peterborough area. I know that the people of that area would be very happy to hear this. We have heard a great deal about shovels and .22 rifles. I am afraid these items do not have very much impact as far as employment is concerned in this constituency. Therefore I hope that before long the minister will rise and indicate in some way exactly how this reclassification will help this particular situation.

Mr. McDonald (Hamilton South): May I ask the hon. member a question? Does the hon. member for Peterborough agree with the leader of his party in the house that they are for freer trade at the present time?

Mr. Pitman: I do not know that he has said free trade—

Mr. McDonald (Hamilton South): Freer trade.

Mr. Pitman: As a long term objective, yes. I think freer trade is what we all must have, not only in Canada but throughout the world.

The Deputy Chairman: Shall the resolution carry?

Mr. Pickersgill: No, sir.

Mr. Fleming (Eglinton): Talk it out again.

Mr. Pickersgill: As a matter of fact, Mr. Chairman, I do not intend to raise a question of privilege but I do intend to draw attention to the attitude toward the opposition expressed by the Minister of Finance from his seat just now.

Mr. Martin (Essex East): From his seat.

Mr. Pickersgill: We on the opposition side have sought to deal with the facts and to bring the facts to bear upon the legislation but from the government side we have heard nothing but personal attacks and vituperation since the debate began.

Mr. Fleming (Eglinton): That is not a statement of fact.

Mr. Pickersgill: All the minister has to say is, "Here we go again". I must say it is about time the minister came back to this side of the house where he is evidently at home. He does not seem to realize that the meaning of the word "minister" is "servant", that he is the servant of this house and not its master and that it is about time this sort of thing stopped.

The Deputy Chairman: The hon. member for Hamilton South wishes to raise a point of order.

Mr. McDonald (Hamilton South): Mr. Chairman, I am sure that the Minister of Finance does not have to sit here and take lectures from the hon. member for Bonavista-Twillingate. We are discussing an item of legislation and it is a well known practice that the hon. member should not take up time in this way.

Mr. Pickersgill: The hon. member, for whom I have the greatest possible respect, is entitled to his opinion, and I will abide by any rulings of the Chair. I could have said that this was a question of privilege. I do not intend to pursue this line any further although I must say that on the point of order I was very tempted to quote some precedents from a speech by the Minister of Finance in 1955 when he was over here, to which I may say no exception was taken by anyone on the treasury benches at that time. The members on the treasury benches at that time sought to reply to arguments that were made by the opposition and not to attack members of the opposition for daring to speak in the house. That is one of the differences.

Mr. Bell (Carleton): The hon. gentleman should smile when he says that.

Mr. Pickersgill: If it will please the hon. member for Carleton I will be very glad to smile. It is something I have never found very hard to do. I have been trying to set a good example to the Minister of Finance for a long time but it does not seem to have taken.

I wish to say something about the statement that was made first by the Minister of National Revenue and repeated by the Minister of Finance on February 2, and which is found at page 1669 of *Hansard*. It reads as follows:

—we heard the hon. member—

That is myself.

—say that the present legislation apparently had some sinister connection with the legislation of 1958.

The reference is to the amendments to sections 35, 36, 37, 38, 39, 40, 40A and 40B of the Customs Act.

The legislation of 1958 was very good legislation and as was pointed out at that time it was badly needed for the purpose of making known to some foreign producers who were in the habit of exporting into Canada that they would not be permitted to do so on a basis of dumping in Canada. So salutary has been the effect of the mere enactment of that legislation that it has not been necessary once in the two and a half intervening years to apply that legislation in any particular case. The Minister of National Revenue made that fact known in the house previously. I say there is an example of very great benefit having been achieved by the mere enactment of that legislation.

I say without fear of successful contradiction that that statement is not accurate, that it is in fact not in accord with the facts at all. I have taken the trouble to have the legislation of 1958 examined. The legislation of 1958 repealed all the old legislation and substituted new legislation in its place. The new legislation is the law. The old legislation is not the law, and if the Minister of National Revenue has not been administering the new legislation he has not been carrying out the law. I am not inclined to believe that that is the case. I am told that there is only one respect in which the old law that was on the statute books before 1958 with respect to dumping is on the statute books at the present time, and that is the end of season clause that was enacted in 1955, I think.

Mr. Bell (Carleton): Would the hon. gentleman permit a question?

Mr. Pickersgill: Certainly.

Mr. Bell (Carleton): The hon. gentleman said he had had this examined. Would he mind telling the committee by whom he had it examined? He said "I was told", and would he mind telling the committee by whom he was told?

Mr. Pickersgill: I had it examined by someone I thought had more knowledge of this subject than I. I examined it, myself, but I thought I should have my opinion verified by someone. If I am wrong, then the hon. member for Carleton, being learned in the law and not needing any help as I do, can show me in what respects I am wrong.

Mr. Bell (Carleton): Would it have been Grant Dexter?

Mr. Pickersgill: No, I do not regard Grant Dexter as being a gentleman any more learned in the law than I am. The hon. gentleman, if he wants to go on with this quiz game, perhaps could go on with it outside of the house.

The fact of the matter is that it was stated repeatedly in this house by the Minister of National Revenue, and was confirmed the other day by the Minister of Finance, that the change in the law with respect to dumping has never been enforced. Well, either the old law has been used, though it is no longer the law or the new law must have been used because the old law is no longer there. If that is the kind of information we are given about the administration of the law, then in heaven's name what can we expect if this legislation becomes law? The Minister of National Revenue would be given the freedom under this legislation to impose a lower tariff or a higher tariff at his whim upon any kind of commodity that, by any stretch of the imagination—it will only be by imagination—can be said to be made in Canada.

I think I can demonstrate very easily and very quickly that it would be quite impossible, under this legislation, to take any kind of meaningful appeal at all. I am thinking of shelf goods, and all the things that have to be determined on an appeal. It has to be determined on appeal, first of all, that the article which it is proposed to import is of approximately the same class or kind as the goods produced in Canada.

Mr. Benidickson: What does that mean?

Mr. Pickersgill: The minister must determine, at some stage, what the normal consumption is of this particular article which presumably is not exactly but only approximately the same as something else made in Canada. It has to be determined what the range of these things is that are approximately alike, and until the tariff board has decided what these things are, how in heaven's name is the minister or anyone else going to decide what normal Canadian consumption is?

I admit this is a very difficult matter, but how can you determine what the normal consumption is of something until you know what that something is? Once you put in the word "approximately", you have got to have someone say what are these things that are approximately like the thing someone is seeking to import. For that reason it seems to me it would be quite impossible, even if the minister wanted an appeal to be taken on all these other things, to get a stated case on which to appeal.

I should like to ask the minister how these things will be dealt with in the future. When an importer seeks to import an article will the minister determine the normal Canadian consumption first before the appeal is taken so that at least the importer will be told what the normal Canadian consumption is supposed to be, and so that he knows the set of facts upon which he may base his appeal? How can he be told that if the minister does not know what the goods are?

According to the Minister of Finance it would be possible to appeal to the board to find out whether these goods were approximately of a class or kind made in Canada. Would you determine the normal consumption in Canada of an unknown article before the appeal is taken, or would the appeal be taken first in order to determine whether this article is approximately the same? After that appeal is taken would one go back to the Minister of National Revenue and have him determine, after the tariff board has said what are the things that are approximately alike, what the normal quantity is? Is that the way this thing is going to be done?

Mr. Fleming (Eglinton): Now you are labouring this heavily.

Mr. Pickersgill: The minister is the one now making suggestions that these practical, concrete questions do not deserve to be answered.

Mr. Fleming (Eglinton): Not at all, I am just pointing out how the hon. gentleman is labouring this subject. The hon. gentleman is obviously in labour trying to keep it going until six o'clock.

Mr. Pickersgill: I should like to ask you, sir, to suggest to the Minister of Finance that he cease imputing motives to others. I have plenty to say about this thing.

Mr. Benidickson: So has the public.

Mr. Pickersgill: So has the public, as my hon. friend from Kenora-Rainy River points out. I have plenty to say about this. I have had a good deal of difficulty in selecting which of the many points I would start to speak about this afternoon. I chose to speak about this particular subject because it is very complicated and it seemed to me it would be only reasonable to give the Minister of Finance and the Minister of National Revenue time to marshal their facts in order to explain how this would be done.

The minister, never having been engaged in business, may not know anything about this sort of thing, but I can assure him—

Mr. Fleming (Eglinton): This is the voice of authority on business, now, is it?

The Deputy Chairman: Order.

Mr. Pickersgill: I may tell the hon. gentleman—

The Deputy Chairman: Order; shall I rise, report progress, and ask leave to sit again?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I assume that we will go on with this business tomorrow.

Mr. Churchill: I think it would be preferable, Mr. Speaker, if we were to bring up this particular item of business at a later time. Tomorrow we will take item No. 4 on today's order paper, the second reading of Bill No. C-69 dealing with the proposed railway line to Mattagami lake, which was discussed in the resolution stage yesterday. The second item for tomorrow would be No. 6 on today's order paper, the motion in my name to set up a select committee on research and related subjects. When those items are concluded, we will then carry on with the estimates of the Department of Citizenship and Immigration and the Department of Agriculture. This order of business would hold, then, for Thursday and Friday.

Mr. Pickersgill: I should like ask the minister if the government is no longer anxious to get its budget resolutions through, which we were accused of holding up?

Mr. Fleming (Eglinton): And you are still accused of holding it up in a most deliberate way.

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

Questions

ANSWERS TO QUESTIONS

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

TRANS-CANADA HIGHWAY ROUTE, WESTMORLAND COUNTY, N.B.

Question No. 71—**Mr. Creaghan:**

1. Did the Minister of Justice, the commissioner of penitentiaries or the warden for the Dorchester penitentiary receive any written inquiry from the government of the province of New Brunswick, or any person regarding a change in the proposed route of trans-Canada highway through the Memramcook valley in Westmorland county, New Brunswick?

2. If so: (a) what was the name of the person making each such inquiry? (b) the date each inquiry was made? (c) what was the nature of each inquiry, and the reply thereto?

3. Has the Minister of Justice any objection to the proposed highway being built over or in close proximity to the existing highway in the area of the Dorchester penitentiary?

Answer by: **Hon. E. D. Fulton (Minister of Justice:**

1. Yes.

2. (a) Mr. Reid McManus, Memramcook, N.B.

(b) November 16, 1960.

(c) Inquiry as to whether or not Department of Justice is opposed to the passage of the trans-Canada highway through, alongside the penitentiary or anywhere near Dorchester, N.B.

Minister's answer dated December 12, 1960. No objection by the Department of Justice.

3. No.

FARM CREDIT LOANS

Question No. 88—**Mr. Roberge:**

1. How many loans have been made by the farm credit corporation (a) under part II; (b) under part III of the Farm Credit Act in each province?

2. How many farmers have borrowed over $15,000 under part II of the said act in each province?

3. How many farmers have borrowed over $15,000 under part III of the said act in each province?

Answer by: **Hon. Alvin Hamilton (Minister of Agriculture):**

	(a) Under Part II	(b) Under Part III
1. British Columbia	207	7
Alberta	1658	8
Saskatchewan	2313	16
Manitoba	316	11
Ontario	1616	9
Quebec	177	10
New Brunswick	55	3
Nova Scotia	27	4
Prince Edward Island	134	5
Newfoundland	-	-
2. British Columbia	41	
Alberta	100	
Saskatchewan	177	
Manitoba	29	
Ontario	241	
Quebec	13	
New Brunswick	2	
Nova Scotia	4	
Prince Edward Island	-	
Newfoundland	-	
3. British Columbia		5
Alberta		6
Saskatchewan		10
Manitoba		3
Ontario		6
Quebec		8
New Brunswick		2
Nova Scotia		3
Prince Edward Island		2
Newfoundland		-

HOUSE OF COMMONS

Thursday, February 16, 1961

The house met at 2.30 p.m.

UNITED NATIONS

CONGO—STATEMENT ON PRESENT SITUATION

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I thank hon. members of the house for giving me an opportunity to make a statement in regard to the Congo situation, which is much in the thoughts and hearts of peace loving people everywhere in the world. I felt that it was proper that whatever information is available to the government should be given to the house, and that course will be followed not only on this occasion but in the days ahead.

In the last few days the Soviet aim has been the pursuance of its selfish ambition in central Africa and, in this pursuit, to paralyse the United Nations at a time when a supreme effort is demanded to prevent further deterioration in the crisis existing in the Congo.

I wish again today to reiterate support for the statement made by the secretary general in the security council yesterday when he replied to the Soviet charges. The United Nations organization was asked last year, first by the security council and later by the general assembly, to carry out certain responsibilities. There has not been that degree of co-operation required of member states for such a major undertaking. Quite apart from the complexity of the Congo situation itself, some members of the United Nations and especially the Soviet union have sought to frustrate the United Nations effort through direct interference in the internal affairs of the Congo. This mischief making has not prevented the same governments from calling on the United Nations to take action designed to serve partisan interests rather than to benefit the Congolese people.

In the face of the internal problems, the outside interference and the confusion and indecision on the part of member governments of the United Nations, the secretary general has sought to preserve and promote a United Nations policy which would lift the Congo situation from the conflict of interest of the powers seeking their own aims in Africa and would enable the Congolese people to solve for themselves their political difficulties.

In his statement yesterday Mr. Hammarskjold demonstrated a full awareness of the direction in which his duty lies and a determination to continue on that course so long as he has sufficient support from the member governments. The main support must come from the African states themselves and from their Asian partners. If African progress and independence are not to become casualties of the cold war, the uncommitted states must see to it that the Congo situation is resolved in accordance with the best interests of Africans and of world peace. The United Nations can assist immeasurably in the pursuit of these aims, but the initiative and the strength of the United Nations assistance will depend on the cohesion of African and Asian support for the organization.

I might recall that at the very outset of the crisis last July I expressed this view in the house, and it has continued to be a basic consideration in the government's policy toward the Congo and toward the United Nations intervention there.

I trust that the secretary general will be accorded the support needed at this very critical time, from an overwhelming majority of the United Nations members. Now more than ever the United Nations must be given the authority it needs, and the required means, to use United Nations instruments in the Congo for the protection of civilians, for the promotion and enforcement of cease-fires, and for the reorganization of the Congolese security forces. There is need, too, for reassurance that outside interference, from whatever quarter, will cease. Only in these conditions can the United Nation hope to pursue its efforts to preserve the independence and integrity of the Congo, to maintain order there and to bring about the necessary reconciliation of all political interests in that country. I think that Canadians as a whole, and members of this house, will agree that the government should spare no effort to promote the attainment of these ends at the United Nations and wherever Canadian influence can be brought to bear effectively.

I might mention that the advisory committee for the Congo is holding an important meeting this afternoon in New York to consider a report by the conciliation commission, now in the Congo, which contains recommendations of a positive character. I might summarize those recommendations by saying

that most of them are in line with the secretary general's plans for the Congo, including provisions for the establishment in general of a broadly based government.

I do not think there is anything further I can add at this time except to say that everything possible is being done in this connection by the government.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I know the house will have listened with great interest to the Prime Minister's statement, which underlines the seriousness and indeed the dangers of the situation in the Congo. I thought this was also done yesterday with great impressiveness by the President of the United States in his wise words on this matter.

It seems to me, Mr. Speaker, that the dangers we face in this situation are threefold. There is a very real danger that the Congo will become a battleground in the cold war, and in doing so perhaps bring the whole of Africa into the cold war, something which it has been the aim of members of the United Nations to avoid. The second danger is that, if things go wrong, the United Nations will be very gravely weakened, and the policies being pursued by the Soviet union and some of its friends at the present time are, it seems to me, in danger of having that result. Third, it may destroy a secretary general who has served the organization and served peace with such unselfish and patient distinction; and if that is allowed to happen it will destroy or weaken gravely the whole office of secretary general, whoever may be holder of that office in the future.

Surely, as the Prime Minister has said, what we should be doing in this situation is seeking for ways and means to strengthen, not weaken, United Nations intervention in the Congo, as was pointed out yesterday by the prime minister of India, in order to restore peace to that tragic land and build a foundation of order which would make freedom meaningful there. I do not know exactly how this can be done, of course, but perhaps one approach to a solution—this has been mentioned by others—would be to bring the Congo under some kind of trusteeship or something analogous to trusteeship by agreement at the United Nations, and then place in charge of the country as the administrator for the United Nations an Asian member, perhaps India, and, if that were the course followed, then we should back up the Asian country chosen as administrator with every kind of support, technical assistance, financial assistance, police assistance and political assistance. Perhaps this may be a way out of this difficulty. But if some way is not found not only will the United Nations be in danger but peace itself may be jeopardized.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in commenting upon the most interesting statement made by the Prime Minister with respect to the recent most tragic sequence of events in the Congo, I wish to say on behalf of this group that the former premier, Patrice Lumumba, was a person who without doubt, though possibly in the wrong way, strove to bring freedom to his people. Mr. Dag Hammarskjold, the Secretary General of the United Nations, has striven in every way, as we all know, to do his duty and carry out his instructions from that body.

Unfortunately both these persons have been victims of circumstances and a swirling of events over which they had little control. As far as this group are concerned, we believe that recriminations from any source would only serve to deepen the tragedy, create further chaos and make the solution of the problem more difficult and more distant. We support every effort that the government may make to use Canadian influence through the United Nations in order to strengthen, shall I say, the moral and material interests of the United Nations with respect to this very important matter.

Possibly in that direction we can not only use our moral influence along the lines suggested by the Prime Minister in the statement he read and along the lines suggested by the Leader of the Opposition. To indicate our sincerity and our willingness to put a shoulder to the wheel to the limit of Canadian ability and resources, possibly we might agree to increase our forces in the Congo if necessary or if called upon to do so, to send more food to the Congo, if necessary, than we have in the past and, if necessary, to provide further medical supplies.

Mr. Diefenbaker: Mr. Speaker, if I might make reference to a suggestion by the Leader of the Opposition regarding trusteeship, I would say that this suggestion has been made on other occasions. As he knows, it has its limitations and shortcomings.

I appreciate the words of both hon. gentlemen, and I think I should add this. Time is of the essence. The report of the conciliation commission which will be considered today provides for measures to stop the fighting and the drift toward civil war, the insulation of the Congolese national army from politics, the setting up of a training scheme under a defence council, and the meeting of all political leaders of the Congo to work out a new constitution along federal lines.

These recommendations come from a report made by a committee representative of the

Asian and African countries, and indicates the care and attention that has been given by those charged with the responsibility of being on that committee to meet the perilous possibilities inherent in inaction or uncertainty at this time.

PRIVILEGE

MR. CHEVRIER—CHANGE IN ANNOUNCED BUSINESS OF THE HOUSE

Hon. Lionel Chevrier (Laurier): I rise on a question of privilege, sir, which concerns the business of the house as well as the rights of the opposition. I should like to refer to *Hansard* for Tuesday, February 14. When I asked the leader of the house what the business for the next day would be, he said, as reported on page 2058:

> The third item will be the continuation of the debate on the budget resolutions. If that debate is not concluded, we will carry on with it on Thursday.

This, sir, was confirmation of what the house leader had said on Monday and on the previous Thursday. I was therefore astonished when, without consultation with me and in my absence, the following exchange took place last evening, according to the *Hansard* record at page 2091:

> Mr. Pickersgill: I assume that we will go on with this business tomorrow.
>
> Mr. Churchill: I think it would be preferable, Mr. Speaker, if we were to bring up this particular item of business at a later time. Tomorrow we will take item No. 4 on today's order paper, the second reading of Bill No. C-69 dealing with the proposed railway line to Mattagami lake, which was discussed in the resolution stage yesterday.

In other words, what was announced last night was entirely different business from what had been announced earlier for the rest of the week.

My question of privilege, sir, is twofold. First, it has to do with advance notice of the business, which it has been the custom and tradition of this house to give to the opposition in order that they may properly prepare for debate. But there is another, and in my opinion more important and more serious matter affecting privilege. It is this. The Minister of Finance stated in the house on February 8, according to the *Hansard* record, page 1848, that we on this side of the house were delaying the progress of the budget resolutions. I should like to quote what he said in answer to a question put by the hon. member for Essex East seeking information about distressed areas. The answer was this:

> Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, this will be done, of course, in due course; but as I pointed out when I was last asked a similar question, this is a matter in which some expediting of the budget resolutions would assist very much.

A little further, on that same page, we find the following exchange by the Minister of Finance:

> Perhaps we may have some progress some day soon on these budget resolutions. We spent three days on one very short resolution last week. I hope we will have more co-operation from the opposition from this point on.

Then as found on the following page, namely page 1849, in answer to a question by the Leader of the Opposition having to do with the policy of the government on chronic unemployment areas, the Minister of Finance replied as follows:

> If the Leader of the Opposition will look at the answers I gave to the hon. member for Laurier when he first asked a similar question about a week ago, the hon. gentleman will find that I pointed out that I thought the house should pass on the budget before we attempted to deal piecemeal with some of the matters that I dealt with in the budget.

I say that these three statements by the Minister of Finance which I have extracted from *Hansard* of February 8 are a reflection on the opposition; and here we are at February 16, eight days later, and still the budget resolutions have not been discussed.

An hon. Member: What is the question of privilege?

Mr. Chevrier: The question of privilege is this. All the delay is caused, first, by the absence of the Minister of Finance from the house—

Mr. Fleming (Eglinton): No.

Mr. Chevrier: —and next, by his refusal to go on even when he is in the house. It seems to me that the least the government might do, if they are not prepared to go on with the budget resolutions as they undertook to do, would be to announce the areas of chronic unemployment, instead of blaming the opposition for procrastination which is entirely of their own making.

Mr. Speaker: Has the hon. member for Laurier concluded?

Mr. Chevrier: I have concluded, sir.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, the hon. member for Laurier has raised a double-barrelled issue. I will deal with the first part which has reference to the business of the house as forecast. Had the hon. member for Laurier wished a change in the program for today, all that was required was a telephone call to me this morning suggesting that something should not be gone ahead with, and we might have made the alteration.

Each Thursday I have attempted to make a forecast; I started this practice last year and

have continued it this session. For the benefit of all hon. members, not just those on the opposite side of the house, I have attempted to forecast the business for the following week as a guide for everybody in the house. However, I have been careful to state that this forecast is subject to change because the situation varies from day to day.

That is precisely what happened this week. It was not possible to bring forward the budget resolutions until Wednesday. Yesterday, I presume to the surprise of everyone, we did not reach the business of the house until a quarter after four, I believe it was, owing to the prolonged question period. After we dealt with one or two minor items there was little time left for discussion of the budget resolutions. Before the conclusion of yesterday's sitting a decision had to be reached as to what we would do today. That decision had to be reached just close to six o'clock. It appeared then that the house desired more time in which to consider the budget resolutions. Had it been possible to pass the first one yesterday, we considered it might have been possible to go ahead today with the one dealing with income tax. However, as the house appeared to desire more time on the first budget resolution it seemed wiser to shift to some other business, and that is precisely the decision I made.

I did not and do not feel myself committed to any forecast that goes a day or two ahead of the day on which we are going to sit. We are subject to adjustment from time to time as seems necessary. That adjustment is made on both sides of the house, Mr. Speaker. It will not be long before the hon. member for Laurier will be asking me to defer some piece of business because someone on his side is away and wants to participate in the debate. I will gladly do so in order to accommodate him, and the same statement holds true with regard to the corner group, as they called themselves yesterday.

An hon. Member: The small group.

Mr. Argue: The effective opposition.

Mr. Churchill: That is my own opinion also. Now, the reason I called second reading of the bill concerning the Mattagami railway was that I noticed there was general agreement on the other side of the house at the resolution stage. The hon. member for Laurier praised it twice in the course of his speech, and the hon. member for Villeneuve, who made a lengthy speech on the subject, spoke of the general advantages to be derived from that railway. I concluded therefore that there was a general desire to get ahead with the measure and that, consequently, we would proceed with it today.

[Mr. Churchill.]

That is the situation with regard to the business of this house. But, as I said last year, if the opposition does not like to have a forecast ahead of time I will revert to the practice followed by Mr. Harris when he was leader of the house, and announce the business for the following day the night before. I did not think that was very satisfactory in those days, and that is why I have adopted this other method.

Hon. Donald M. Fleming (Minister of Finance): Perhaps I might deal with the second part of the observation made by the hon. member for Laurier in the course of the speech he smuggled into a question of privilege. The hon. gentleman made reference to observations I had on February 8 as to the lack of progress with the budget resolutions concerning proposed amendments to the Customs Tariff.

You will recall, Mr. Speaker, that there are two resolutions before the committee of ways and means arising out of the budget; first, a short amendment to the Customs Tariff and, second, a series of proposed amendments to the Income Tax Act. We have now spent a total of four days on this small amendment to the Customs Tariff—a very short amendment, presenting an issue which could be discussed, surely, with reasonable brevity. I am not suggesting that anybody should abate or curtail his remarks, but I draw attention to the fact that this is one amendment and it is not a lengthy one. Despite all the time spent so far in committee we have still not been able to start in the committee of ways and means on the resolution relating to the Income Tax Act.

On February 8, as the hon. member for Laurier has pointed out, I drew attention to the fact that three days had already been spent in committee on the amendment to the Customs Tariff, and I deplored the fact that we were making such slow progress. Yesterday, another day was spent on this.

Mr. Pickersgill: One hour.

Mr. Fleming (Eglinton): What remained of the day's sitting after an unusual length of time had been spent on the preliminary proceedings and the question period. It is quite obvious, Mr. Speaker, and I draw this to your attention to correct the improper impression which the hon. member for Laurier would otherwise have left, that yesterday afternoon hon. members opposite were simply repeating what they had said before and were trying to delay the proceedings. If you look at page 2089 of *Hansard*, you will see that I used the words "Talk it out again".

Mr. Speaker: Order. May I say to the hon. gentleman that I did not find a matter of privilege involved in what had been said before, but if the Minister of Finance now says that yesterday the opposition was trying to delay proceedings, I am sure there would be one. Perhaps the minister would not overwork the second point which was raised by the hon. member for Laurier. I allowed considerable discussion on the first point, not because there seemed to be a matter of privilege involved but because it related to a subject which concerns us all, namely the ordering of the business of the house. It seems to me that enough has been said about this point. There is really no question of privilege before us, and if the minister continues it will be to debate the question of whether or not there has been any delay in dealing with the budget resolutions. I do not consider that subject to be before the house for debate, and with those cautionary words may I express the hope that the minister will conclude his remarks.

Mr. Fleming (Eglinton): I shall be pleased to conclude them. I had simply put those facts before the house because of the very misleading impression the remarks of the hon. member for Laurier might otherwise have left. The government is anxious to go on with this business as quickly as possible, and we shall be glad to have the co-operation of all hon. members in doing so.

An hon. Member: Why didn't you go on with them?

Mr. Fleming (Eglinton): I am asked why we didn't go on with them. Well, we hoped that after hon. members opposite had had an opportunity of considering this, they would stop the filibuster they have been conducting.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Whether or not there was a question of privilege before, there is one now. The remarks which the minister made yesterday were applied to me. At the very close of the day, when I said I should like to ask the house leader if the government was no longer anxious to get the budget resolutions through which we were accused of holding up, the Minister of Finance replied, to use his own words as printed in *Hansard*:

> And you are still accused of holding up in a most deliberate way.

That was a reflection on my right as a member of this house and a member of the opposition to debate a revolutionary change in the tax system of this country which the minister calls a small matter.

Mr. Fleming (Eglinton): No, it is not a small matter. It is an important matter.

Mr. Pickersgill: The hon. gentleman whose performance five years ago we all remember now objects to the opposition debating legislation.

Mr. Speaker: With the leave of the house I should like to revert to the presentation of reports under routine proceedings.

STANDING ORDERS

Third report of standing committee on standing orders—Miss Aitken.

LABOUR CONDITIONS

UNEMPLOYMENT—INQUIRY AS TO AREAS OF CHRONIC UNEMPLOYMENT

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to direct a question to the Minister of Finance in the absence of the Prime Minister, based on the announcement of policy made two months ago by the government that double depreciation would be applied to industries in areas of surplus unemployment in the country and that such areas would be designated by the governor in council.

My question is this. In view of the record unemployment revealed in yesterday's figures, will the minister assure the house that after a delay now of two months, no further procrastination will be allowed in this matter, and that the government will declare at once the areas to which this special incentive will apply?

Hon. Donald M. Fleming (Minister of Finance): You will permit me, I trust, Mr. Speaker, to make the observation on that question that it is a thoroughly improper question to be asked on the orders of the day. It is the type of question which you have referred to in many rulings as being an argumentative question designed to put certain statements or, in this case, misstatements before the house. It was not designed to ask for information. There has not yet been any procrastination, nor will there be. This question was asked yesterday, and it was answered yesterday. This matter is being dealt with, and it will be dealt with effectively.

Hon. Paul Martin (Essex East): May I ask the Minister of Finance if it is not a fact that the implementation of the government's declared policy of double depreciation can be made effective without waiting for the passage of the budget resolutions, that that power now resides in the hands of the minister under the present Income Tax Act?

Inquiries of the Ministry

Mr. Fleming (Eglinton): This is a matter which has been dealt with now on, I think, four or five occasions in the house. The last one was yesterday, and I do not know how long it is to be expected, Mr. Speaker, that this question should be asked day after day. I gave the answer yesterday.

Mr. Benidickson: We want the executive to act.

Mr. Fleming (Eglinton): This is a matter which could be dealt with by order in council under regulatory power but, as I pointed out on an earlier occasion, it would not have been proper for the executive to deal with this until the house had passed on the budget. That has now been done and we have proceeded in the meantime to deal with this matter. I repeat that we are dealing with this matter, and dealing with it effectively.

Mr. Pickersgill: In secret.

Mr. Fleming (Eglinton): Mr. Speaker, we hear—

Mr. Speaker: Order. I understood that the minister had completed his answer.

Mr. Fleming (Eglinton): On a point of order, Mr. Speaker, I had made my statement, but again the hon. member for Bonavista-Twillingate makes a statement while seated which goes on *Hansard* and remains there. I expect that you did not hear it. If the hon. member's comment is going to remain on the record I think those of us who do hear these things in this part of the house should have an opportunity to comment on them.

The hon. member said "In secret". I have not been aware that the cabinet at any time in Canada's history proceeded by any other method than by that method. The cabinet is required to conduct its meetings in that way. That is the kind of observation that is being made now by the hon. member for Bonavista-Twillingate as though there were something new, unusual or improper about the cabinet holding its meetings in secret.

Mr. Pickersgill: Mr. Speaker, since the minister has chosen to make a question of privilege of a remark I made—

Mr. Fleming (Eglinton): It was not a question of privilege but a point of order.

Mr. Pickersgill: —I should be permitted to reply to the hon. gentleman's question of privilege. The minister did say "question of privilege" as you will find by looking at *Hansard*. I may say that the minister is quite wrong in saying that action by the cabinet is in secret. The action is not in secret, but the deliberations are; and we want action.

[Mr. Martin (Essex East).]

Mr. Ricard: Splitting hairs.

Mr. Fleming (Eglinton): How silly can you get?

Mr. Benidickson: I have seen no order in council yet on this double depreciation matter.

Mr. Speaker: Order. I think this inquiry has gone as far as it can usefully go without becoming a debate. I recognize the hon. member for Essex East, who is rising to a point of order.

Mr. Martin (Essex East): Mr. Speaker, the Leader of the Opposition asked the Minister of Finance when this policy of double depreciation was going to be made effective.

Some hon. Members: Order.

Mr. Martin (Essex East): This is a point of order. It is true that under our rules no minister can be compelled to say what government policy is or when it should be announced. What I would point out to Your Honour is that when the minister introduced his budget he announced that policy, and no minister has the right to refuse to say when a policy already announced will be made effective. That is the question we are now asking because of this serious problem of unemployment.

Mr. Speaker: Order. The hon. member for Essex East presents as a point of order, a comment on the reply given to a question asked before the orders of the day. I think the practice of the house is well settled that although hon. members of the house may put to the ministers questions about their administrative responsibilities, they cannot insist on answers nor can they comment on the absence of answers. That is clearly set out in Beauchesne's exposition of the practice in this period of our proceedings. There is the right to ask a supplementary question and hon. members do use that not only for eliciting additional information but for comment, but it is not an approved practice.

The question that was asked was one of those which do not seek information but rather press the government to take some action. That is the particular kind of question where there should be no comment on the answer, because it is not a question asking for factual information.

UNEMPLOYMENT—RESULTS OF WINTER WORKS PROGRAM

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Labour. He indicated yesterday that there were approximately 200,000

people employed on site and off site under the winter works program. Would the number of unemployed be increased by approximately 200,000 if we did not have this program, or are some of these people still included in the list of unemployed?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, if some of these people were not hired on these jobs at the time the bureau of statistics made its survey during a certain period of the month, they certainly would be included. However, it might be that two days after the survey had been made a great many of these people could have been hired on such jobs.

PENSIONS

INQUIRY AS TO CONSULTATION ON PORTABLE PLAN

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare arising out of the great interest in portable pensions that exists throughout the country, and the statement by the chairman of the Ontario committee on portable pensions to the effect that they could be produced only with the co-operation of the federal government. My question is, has there been any consultation between representatives of the Ontario government and the federal government toward the end of introducing a portable pension plan in Canada?

Hon. J. W. Monteith (Minister of National Health and Welfare): No, Mr. Speaker.

CANADIAN BROADCASTING CORPORATION

LACOMBE, ALTA.—REPORTED INTENTION TO MOVE STATION

On the orders of the day:

Mr. J. S. Speakman (Wetaskiwin): Mr. Speaker, I have a question for the Minister of National Revenue based on a letter I received only today. For that reason I was unable to give him notice. Is the minister aware of any plan by the Canadian Broadcasting Corporation to move its CBX transmitter station from the town of Lacombe in central Alberta to either Calgary or Edmonton, or both?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, I have no information on the matter. I will take it up with the Canadian Broadcasting Corporation, obtain the information and advise the house at the earliest possible moment.

Mr. Speakman: A supplementary question, Mr. Speaker. In view of the fact that upwards of 100,000 people, probably the heaviest concentration of rural population—

Mr. Speaker: Order. I question whether the hon. member is right in making this comment on his first question which has now been taken as notice. He may have a right to ask a supplementary question when he gets his answer.

STATEMENT ON REPORTED REDUCTIONS IN ADVERTISING RATES

On the orders of the day:

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): Mr. Speaker, on Monday last the hon. member for Peterborough asked a question, which appears on page 1972 of *Hansard*, with respect to serious advertising rate slashes by the C.B.C. The minister has been informed by the C.B.C. as follows. The corporation has not slashed advertising rates, nor does it engage in forms of merchandising and promotion which constitute rate slashing. Corporation selling practice is guided strictly by published rate cards, specifying rates for national network, national selective, and local retail business. No sales are made at variance with these published rates.

There has been recent discussion in the press regarding the extension of the C.B.C.'s local rate policy for T.V. to the Halifax, Montreal and Ottawa markets. This was not a new policy but one which was established as long ago as 1957 in Vancouver and 1958 in Toronto. The principle of local retail rates has long been established in newspaper and private broadcasting circles.

CRIMINAL CODE

INQUIRY AS TO AMENDMENT TO PERMIT PROVINCIAL LOTTERIES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wish to direct a question to the Minister of Justice. I am encouraged to ask it because of the serious significance leading members of the government in general usually attach to public opinion polls. Has the minister noted the overwhelming affirmative response to the *La Presse* poll on provincial lotteries? I should like to ask if his department is presently considering changes to the Criminal Code enabling such provincial enterprises?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, the whole question of lotteries and related matters is under consideration in my department at the present time. I expect shortly to be in a position to take up this

question with my colleagues. Anything further will have to await a decision, and when one is made it will be announced in the usual fashion.

SHIPPING

SHIPPEGAN ISLAND—INSTALLATION OF MARINE AID STATION

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister inform the house whether it is the intention of his department to proceed at an early date with the installation of a marine aid station on the bay of Chaleur side of Shippegan island and, if so, could the minister give detailed information on this proposed project?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the hon. member was good enough to give me notice of this question, but unfortunately he did not specify the type of aid to navigation that he was referring to, and without such specific details I was unable to find anything that I could report today. If the hon. gentleman would be kind enough to tell me exactly what it is he is seeking I will endeavour to answer his question. At the present time with such information as the hon. member has provided, I must say I think there is no such project planned for Shippegan island.

Mr. Robichaud: A supplementary question, Mr. Speaker. Is the minister aware that a survey was made last summer by the officials of his department in order to determine the location for a Decca station?

Mr. Speaker: I do not know that it is an urgent matter to inquire if the minister is aware of a survey having been made last summer.

Mr. Robichaud: On a point of order, Mr. Speaker, the minister asked me to specify the type of station to which I referred, and I am attempting now to specify that it was a Decca station.

NORTH SYDNEY, N.S.—REPORTED LACK OF CO-OPERATION BY ICEBREAKERS

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I should like to direct a question to the Minister of Transport. This question is prompted by a communication from the secretary of local 1259, I.L.A., of North Sydney, Nova Scotia. Would the minister advise whether there has been lack of co-operation, as charged, in regard to having icebreakers free the Canadian National Railway ships in the harbour there, and further that within recent days the S.S. *Cabot Strait* and other ships have been diverted from the port of North Sydney, which of course is detrimental to the economy of the area concerned.

Hon. Leon Balcer (Minister of Transport): Upon receiving notice of this question from the hon. member I made a quick inquiry. I am assured by my officials that the icebreakers in the area are giving the utmost co-operation to shipping at the present time.

As far as the particular case of the S.S. *Cabot Strait* is concerned, when this ship first asked for icebreaker assistance it was immediately furnished. The ship was freed from the ice and got moving toward Sydney until the master told the master of the icebreaker that he was not prepared to take the *Cabot Strait* any farther.

TRANSPORT

PROPOSED TUNNEL FROM CAPE BRETON TO NEWFOUNDLAND

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Has the minister had any representations from or any consultations with the Progressive Conservative club of St. Francis Xavier University, who are circulating a proposal relative to the building of a tunnel from Newfoundland to Cape Breton—

Mr. Speaker: Order. I do not think the hon. member would assert that it is the administrative responsibility of the minister in question to deal with political clubs. That is outside of his public responsibility, and it is not proper to ask questions of that kind.

METROPOLITAN TORONTO—REPLY TO REPORTED REQUEST FOR SUBWAY LOAN

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I should like to direct a question to the Minister of Finance. Can the minister say whether metropolitan Toronto's request for a subway loan has been granted or rejected by the government?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, when a conclusion has been reached and communicated to the city of Toronto it will then be appropriate to make it known to the house.

AGRICULTURE

STATEMENT ON USE OF WHEY MILK POWDER IN MAKING BREAD

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, on Tuesday last the hon. member for Drummond-Arthabaska asked my colleague, the Minister of Agriculture, whether action has been taken by order in council to permit the use of dried whey powder instead of a smaller quantity of dried skim milk powder in the preparation of bread. This matter comes within my jurisdiction, as the standards for foods such as this are established by means of the Food and Drug Act and its regulations.

The national council of the baking industry has suggested that the regulations with respect to standards for enriched bread be revised to permit the use of four parts by weight of dried whey powder for each 100 parts of flour used in preparing the bread. At present the requirement is two parts by weight of skim milk powder, and the council is suggesting this change as an alternative. No action has been taken on the council's suggestions, as the matter is still under consideration within my department.

ST. LAWRENCE SEAWAY

NEWSPRINT—SUGGESTED RECLASSIFICATION AS BULK CARGO

On the orders of the day:

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has the minister received representations from the manufacturers of newsprint requesting that newsprint shipped through the St. Lawrence seaway be considered as bulk cargo rather than general cargo? If so, has any action been taken?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, as a matter of fact I received a brief on this subject within the last few days, and the brief is under consideration at the present time.

COMBINES

CAKE MIX PRODUCTS—REPORTED PRICE CUTTING IN B.C.

On the orders of the day:

Mr. W. A. McLennan (New Westminster): Mr. Speaker, I should like to direct a question to the Minister of Justice. Is the minister aware of allegations that Robin Hood Flour Mills Limited are conducting a price cutting war in British Columbia on cake mix products, which contravenes section 33, subparagraph (c) of the Combines Act? If so, what action is contemplated?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, in reply to the hon. member I can say that this complaint has been drawn to my attention, and in turn it has been referred to the director of the Combines Investigation Act for his consideration.

DRUGS—INQUIRY AS TO REPORT OF COMMISSION

On the orders of the day:

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, my question is to the Minister of Justice. I should like to inquire whether the minister read that frightening story in the Ottawa *Journal* last night of the Dale family of Ottawa, who are having to spend an annual $8,000 on drugs for the treatment of four of their children suffering from cystic fibrosis; and whether, in the light of the *Journal's* current series on drug profiteering, which in some cases has been running as high as 1,000 per cent, the government's combines investigation commission will report soon on its finding in its drug investigation.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, it was, I think, just in the last 10 days or two weeks that I informed the house in reply to a question that the director expects to bring his statement before the commission by the end of this month; but that it would not be possible to give a forecast as to when the commission might be in a position to make its formal report because of the large volume of evidence already obtained and the fact that the number of persons who wish to make representations or give evidence before the commission cannot of course be ascertained at the present time. All I can say is that the inquiry is proceeding with all possible dispatch.

UNEMPLOYMENT INSURANCE

PAYMENT OF BENEFITS FOR CASUAL EMPLOYMENT

On the orders of the day:

Mr. Gabriel Roberge (Megantic): Mr. Speaker, I wish to direct a question to the Minister of Labour of which I was able to give him notice. My question has to do with the unemployment insurance benefits which are denied to claimants who have worked for a relative or for a casual employer. Has the minister's attention been directed to a resolution of protest by the chamber of commerce of St. Charles de Bellechasse, which was addressed to him, according to a news item in *Le Soleil* of Friday, February 10 last? If so, is he prepared to make a statement at this time, and also what remedial action does he intend to take?

Inquiries of the Ministry

Hon. Michael Starr (Minister of Labour): I do not recall having received the particular resolution in question. I can assure the hon. member, however, that when it is brought to my attention it will be dealt with in the normal course of events. I might say this briefly, Mr. Speaker. Section 25(a) of the Unemployment Insurance Act specifies that one of the conditions of insurability is that a contract of service exists between employer and employee. This may be either written or verbal. There are also sections in the act as well as in the regulations dealing with employment of relatives and casual employment. Generally these are in the category of excepted employment.

It is not possible to make general observations covering all possible varieties of circumstances, since each case, Mr. Speaker, usually has its own individual peculiarities. In general I might say that at the present time the regulations are being applied by the unemployment insurance commission in accordance with the letter and the spirit of the law.

AIRPORTS

VANCOUVER—INQUIRY AS TO FEDERAL OFFER

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of Transport. As a result of his conversations with the mayor of Vancouver, the council and the chairman of the port committee, is the minister in a position to advise the house relative to a federal offer to purchase the Vancouver airport or of federal aid toward its further development?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, we had a very interesting meeting with the delegation from Vancouver. They submitted a new proposal—as a matter of fact several new proposals—and we had a preliminary discussion of the various ones. The department has agreed to make a new study of the whole matter. As soon as a decision is reached on those proposals I will be very pleased to communicate it to the house.

HOUSING

N.H.A.—REQUEST FOR LOWERING OF INTEREST RATE

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Is the government planning any early action, such as lowering the National Housing Act interest rate, that would have the effect of getting the chartered banks—

[Mr. Roberge.]

Mr. Speaker: Order. The hon. member asked a similar question within the last week, to my recollection.

Mr. Walker: This is the ninth time this session.

Mr. Speaker: He will correct me if I am wrong. I do not believe the hon. member will think that it is in order to repeat the question, which in this particular case is asking for a declaration of policy in any event.

Mr. Garland: If I may say so, with respect, my question had to do with getting the chartered banks back into the lending business in time for the building season this year.

Mr. Speaker: I understood the hon. member's question to relate to interest rates being altered for a specific purpose.

DEFENCE PRODUCTION

BOBCAT VEHICLE—INQUIRY AS TO ORDER FOR PILOT MODELS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Yesterday I asked a question of the Minister of Defence Production, and he said it would be a very appropriate question to ask the Minister of National Defence. I wonder whether I could ask now why, if the development of the Bobcat has been completed, has it been necessary to develop further pilot models over a two-year period rather than initiate production in the magnitude of several hundred, as indicated by General Pearkes last year.

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the development program of the Bobcat resulted in the construction of four handmade prototypes. Having decided to go into production, there is a requirement for product improvement and pilot models in order that the transition from the engineering model to mass production techniques can be reflected in the drawings and specifications required to obtain firm fixed price tenders. Without such a pilot run it would be difficult for tenderers to make an accurate bid and subsequently for the government to hold the contractor to his quotation. This, I might say, is a normal procedure in the production of any major item of equipment for which there is a requirement for a considerable number of units.

Mr. Fisher: I should like to ask a supplementary question. Is this an indication that the scale of urgency for this particular product in the services is not very high?

Mr. Harkness: No, Mr. Speaker. This is normal, good business practice on going into the production of equipment of this kind. It is the same sort of practice that commercial companies, such as automobile manufacturers and so on, follow before they bring out a new model.

UNITED NATIONS

CONGO—EXTENSION OF SPECIAL ALLOWANCE TO RETURNED PERSONNEL

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, yesterday I directed a question to the Secretary of State for External Affairs and he asked that I address it to the Minister of National Defence. The question I asked yesterday was whether Canadian soldiers who were injured in clashes with the Congolese and were returned to Canada before December would be eligible for the special allowance to Canadian soldiers participating in the Congo action.

Hon. D. S. Harkness (Minister of National Defence): No, Mr. Speaker, they will not be eligible. The purpose of the special allowance which has been made is to cover the cost of extras which people over there are required to buy at very greatly inflated prices. I understand that a tube of toothpaste for example, costs from $1.50 to $2. The people who have already returned do not need the allowance for this purpose.

Mr. Cardin: Because of the circumstances, difficulties and hardships that have been experienced by Canadian soldiers in the Congo and the relatively small cost involved, will the government not reconsider making the special allowance retroactive to cover the tour of duty rather than to December 1?

[*Later:*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I am sorry I did not think of the question earlier, but I should like to ask the Minister of National Defence a supplementary question with respect to his statement concerning the extra allowance for our forces in the Congo. Is his department not operating a commissary for our forces in the Congo and, if so, why are these people being charged $1.50 for a tube of toothpaste?

Mr. Harkness: Mr. Speaker, we are providing a certain number of items of various kinds, of course, but if the hon. member has had any experience of military life he would be aware of the fact that soldiers serving in a strange area are constantly visiting the stores and picking up various small items.

Mr. Winch: Not toothpaste; and may I point out for the minister's information that I served four years in the army.

Mr. Harkness: Mr. Speaker, I must point out to the hon. member that I mentioned the price of toothpaste as just one example of the scale of prices. I mentioned it as an example only.

(Translation):

TRADE

IMPORTS OF VEGETABLES FROM CUBA

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker, my question is for the Minister of National Health and Welfare (Mr. Monteith).

Would the minister kindly ask his colleague, the Minister of Agriculture (Mr. Hamilton), to reply to my question of February 7, concerning imports of tomatoes and other vegetables from Cuba.

(Text):

Hon. J. W. Monteith (Minister of National Health and Welfare): I will bring this matter to the attention of the Minister of Agriculture, Mr. Speaker.

[*Later:*]

Mr. Monteith: Mr. Speaker, if the hon. member for Drummond-Arthabaska was referring to a question which appears on page 1795 of *Hansard* for February 7, he will find that it was answered by the Minister of Agriculture on February 8, as found on page 1851 of *Hansard*.

POLYMER CORPORATION

SARNIA PLANT—INQUIRY AS TO PRIVATE PARTICIPATION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Defence Production whether it is a fact that the Polymer Corporation has now established a branch operation in France in which there is private participation both as to capital investment and administration? If that is a fact, is it intended to allow private participation in the Polymer Corporation plant located in Sarnia?

Hon. Raymond O'Hurley (Minister of Defence Production): There is one partner in the expansion program of Polymer at Strasbourg, France. That partner is the Banque de Paris et des Pays Bas, through whom provision is being made for the financial set-up of Polymer in France. This is the only partner in the company in France, and the policy has

not changed as to the participation of private individuals here in Canada in the Polymer Corporation.

DOMINION-PROVINCIAL CONFERENCE

FEDERAL PROPOSALS RESPECTING TAX-SHARING

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Finance whether he would take the House of Commons into his confidence to the same extent that he appears to have taken the Empire club of Winnipeg with respect to the proposals that are to be made to the premiers of the provinces next week.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the house has been as fully taken into the confidence of the government as the Empire club of Winnipeg or other organizations outside the house have been. I suggest to the hon. member that he refresh his failing memory by consulting the record of the house.

Mr. Pickersgill: Could I ask a supplementary question? Does the minister—

Mr. Speaker: Order. I think the hon. member will agree that the question was not such as should have been asked; therefore a supplementary would not be in order.

Mr. Pickersgill: On a question of privilege, Mr. Speaker, the press did report that the minister made certain statements to the Empire club of Winnipeg that were not made in this house at all, particularly with respect to the reversion to taxation by the provinces. The press may be wrong and the minister may wish to deny that, but what I sought to ask as a supplementary question was whether the government was adhering to the announcement made last October that after 1962 the provinces would have to impose their own income taxes.

Mr. Fleming (Eglinton): With respect, Mr. Speaker, I think I should take the opportunity to comment on this matter. I spoke from a text in Winnipeg, and the text is available to the hon. member for Bonavista-Twillingate or anybody else who wishes to see it. I did not say anything about reversion. I was not talking about the matter which has been referred to by the hon. member for Bonavista-Twillingate, and I can only infer that this is an indulgence in fiction on the part of the Winnipeg *Free Press*.

Mr. Pickersgill: I wonder whether I could ask the minister if he would put me on his mailing list.

Mr. Speaker: Order. I think my first judgment about this matter was right.

[Mr. O'Hurley.]

FINANCE

ESTABLISHMENT OF SECONDARY MORTGAGE MARKET

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Finance. Will the minister comment on any progress being made toward the establishment of a secondary mortgage market in Canada?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, when such an announcement becomes appropriate it will, of course, be made to the house.

CANADIAN NATIONAL RAILWAYS

QUEBEC—AUTHORITY FOR CONSTRUCTION OF BRANCH LINE

Hon. Leon Balcer (Minister of Transport) moved the second reading of Bill No. C-69, respecting the construction of a line of railway in the province of Quebec by Canadian National Railway Company from a point at or near mile 72 of the Kiask Falls subdivision in a northwesterly direction to a point in the vicinity of Mattagami lake.

He said: Mr. Speaker, as the title of the bill indicates, authority is being sought to enable Canadian National Railways to build a 60-mile branch line from a point about 72 miles north of Barraute in the province of Quebec to a point near Mattagami lake and, as I said at the resolution stage, the cost of construction is estimated at $8,400,000 or $140,000 per mile.

The Mattagami lake area, Mr. Speaker, has been prospected off and on during the past half century, but it was only when modern geophysical methods of prospecting were applied in the 1950's that the presence of mineral deposits that could be economically developed was established. The first and most important discovery was made on a property which is now owned by Mattagami Lake Mines Limited, a company which is controlled by Noranda Mines Limited and McIntyre Porcupine Mines Limited. Canadian Explorations Limited has also spent substantial sums of money in turning up large reserves of zinc and copper ore at that location.

The plans call for the installation at the mine property of a concentrate mill having a capacity of 2,000 tons of ore daily, and the construction in the St. Lawrence river valley of a refinery having a capacity of 200 to 250 tons of zinc metal a day. The company expects to begin production at this rate toward the end of next year.

The prospective traffic on the proposed line consists mainly of zinc concentrates, of which about 165,000 tons will move annually to the

mining company's refinery, and copper concentrates, 25,000 tons of which will move each year to the Noranda mine's smelter at Noranda. Other traffic made up of mine supplies and general merchandise will also be carried over the line. The Canadian National Railways have secured a traffic guarantee under which the mining company has undertaken to ship annually a minimum total of zinc concentrates during the first 10 years. The agreement contains a penalty provision in case the shipments in any year fall short of the guaranteed tonnage.

As I said when I spoke at the resolution stage, this project deserves encouragement as one that should improve the net position of the Canadian National Railways as well as contribute to the development of this important mineral and pulpwood area. As I mentioned when the resolution was before the committee, I intend to move that the bill be referred to the committee on railways, canals and telegraph lines, where officers of the Canadian National will be present to give further particulars as may be required.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, the house will appreciate the statement just made by the minister. However, he should, to my mind, take this opportunity to explain the policies of the government and of the Canadian National Railways with regard to the building of a branch line. I am telling hon. members nothing new when I say that there has always been a distinction between the two because, after all, the government organization, i.e. the Canadian National, did previously proceed with the construction of various branch lines on behalf of the government and for the benefit of Canada. What I would like to know, and what the house would like to know too, is whether there is a distinction made between the policy of the Canadian National on the one hand, and that of the government on the other, with regard to the construction of such a branch line. And, should such a distinction be made, I would like to know what would happen, for instance, if the federal government should decide on its own, to build a railway line, while the Canadian National felt the project would be uneconomic. In saying this I have in mind not only the Mattagami lake line, because I believe that the minister just said it is a profitable project; however I shall have something to say on that point later on. I am thinking of other branch lines, because, as the minister knows, it has repeatedly been mentioned the other night that some branch lines might be built elsewhere. I therefore wonder if there is any distinction to be made between the two policies, that of the Canadian National on the one hand, and that of the federal government on the other. I hope that the minister will be able to give us a relevant explanation later today.

I think this is an excellent occasion for the minister to establish that distinction, if there is any to be made.

Now, to come back to the bill before us, quite a number of questions occur to me. I wonder whether the minister would be kind enough to give some attention to them later. When he made his statement on the principle, earlier this week, he did not give any details as to the financial soundness of the project. Earlier today, in his statement before second reading of the bill, he made only a brief reference to the matter.

Accordingly, I wonder if it would not be possible to have further details on the matter because, if I remember well, when in similar circumstances the question of building a similar branch line came up, the minister tabled a very comprehensive statement of accounts indicating the revenues which the National Railway expected to receive on one hand, and on the other, the expenses for the construction of the line, the depreciation and maintenance costs, and finally, the possibility of any surplus.

I think that the house would be interested to know, first of all the financial position of that line according to the estimates prepared by C.N.R. officials. That is the first question which comes to my mind at this time.

Second, what are the concentrates or the ores, apart from those mentioned a few moments ago by the minister, which might be added to the traffic from that point, i.e. Mattagami lake?

Third, to what extent, and in how much time, will the project be self-sustaining? I imagine that, as sometimes happens, the project might not be profitable the first few years. Of course, it will all depend on the volume of traffic and on how many tons of zinc will be transported by that railway.

Moreover, I would like to know how the cost of that railway line compares with that of the other branch lines. I am thinking of the Barraute-Kiask Falls line, of the Beattyville-Chibougamau or Cache Lake line and, finally, of the Chibougamau-St. Felicien line. Of course, the cost must be higher right now, because construction costs must have gone up. Still, it would be of interest for the house to know the difference in cost for those various lines, which, after all, run through the same district and are rather similar.

The minister will probably remember that, when the construction of the Senneterre-St. Felicien branch line, via Chibougamau, was discussed, statements were made in this house —which were later on challenged and denied —that traffic from the Chibougamau district would be directed to Toronto. And, as that railway line is connected with mile 72, which is very close to Kiask Falls, I would like the minister to tell us whether the products of the mine will be directed to Toronto or not. Personally, I am convinced that this is not the case.

Mr. Balcer: I said so, or at least I think I said so earlier, in my statement.

Mr. Chevrier: Well, I was probably not listening to what the minister was saying at the time. I think that, on the contrary, he said the products would be shipped to the province of Quebec rather than Ontario. I am satisfied he said that, because the line now under consideration is a branch line of those that were built in 1944 and 1945.

Other questions also come to my mind; they have to do with the financing of the project by the C.N.R. Is there a difference between the form of this bill and that of others previously submitted to parliament, as, for instance, the bill submitted by his predecessor with regard to the line between Chisel lake, I think, and Optic lake. Are all those lines financed in the same way by the C.N.R.? Those are questions whose answers could interest the house. Until we have had an opportunity of asking further questions later, that is all for now.

(Text):

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, what I was really curious about in following the translation was the significance of the remarks made by the hon. member who has just taken his seat as they came through the system, as an indication that somehow Ontario might be gaining more benefits or that the resources would be tapped into Ontario rather than into Quebec.

I could not understand the context in which the hon. member presents this view. It is certainly a question in which I am interested, not so much as someone living in Ontario but rather from the fact that this seems to be a fairly strong feeling amongst Quebec people, namely that the railway structure of Canada in the past, particularly in the Ontario northland, has led the orientation of north-western Quebec in particular to Ontario rather than to what Quebec people may consider its proper centres of influence, namely Montreal and Quebec city.

We all appreciate this matter of watersheds of influence. I know that the people in Quebec in particular appreciate it from a cultural point of view. If the minister is going to comment on the remarks made by the hon. member for Laurier I would appreciate having his estimate of just what this branch line will do in this regard. I refer to the orientation of resources and people toward the province in which the line particularly lies.

The other point on which I should like to touch is this. We reiterate our approval of this measure. We know that before the committee we shall be able to get the details, especially from the officials of the Canadian National Railways, with regard to the plans and the future prospects. However, I should like to know from the minister what are the actual metals that will be coming up or will form the main base of the area as far as the railway is concerned. Are they to be processed, as far as he knows, at Noranda or in the Rouyn area, or is this material likely to find a market in other refineries right across North America? We should have some kind of projection on that point.

The other point on which I think the minister did not touch is the question of competition for traffic. We understand that there is a good road into these mining properties now; that this is not an instance in which the railway is going to be the only means of access. In our own experience with Manitouwadge, where both the C.N.R. and the C.P.R. built lines into two base metal mines, the mines have been quite successful. I refer to Geco and Willroy. They have actually done better than was expected. Their production has been fairly high and the actual base metal product is moved out by rail. However, that is about all that is moving out by rail, and it is only extremely heavy equipment that is moving in by rail. The lion's share of the shipping or the transportation of the things that keep the community going seems to be by truck; these things seem to be going in much more by truck than by rail.

I am wondering whether the minister could not give us some indication as to the prospects the C.N.R. and the government see with regard to the ratio of over-all shipping into the Mattagami lake area that will be hauled by the railway in relation to that hauled by other interests. Are there in existence at the present time franchises to trucking concerns in that area, or is there some protection to the railway from this type of shipping? I suggest that the example we would probably have is what has happened in other areas along new branch lines. Is the Chibougamau area in general being served largely by the

railway both with regard to passengers and in what you might call the general cargo sense, or is most of the traffic going by truck?

The reason I think we could consider this matter is that the general tendency in so much of our transportation today in Canada seems to be to have an oversupply of transportation facilities, something which may be fine in a competitive sense but which usually means that we have overmuch capital tied up in transportation concerns. While these are general questions, I think the minister may be in a position to enlighten us on them.

Mr. Balcer: Mr. Speaker—

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

(Translation):

Mr. Balcer: Mr. Speaker, a few minutes ago, the hon. member for Laurier (Mr. Chevrier) put certain questions to me and asked for certain details.

His first question had to do with the government policy: is there any difference between the policy of the government and that of the C.N.R. in the matter of the construction of railway lines.

Well, each such project is studied on its merits. There is no doubt that the present project is self-sustaining; therefore the C.N.R. will not need any subvention and the government will not have to assume part of the construction costs as happened in certain cases, especially for the Chibougamau railway. As I say, each of those cases must be studied on its own merits. It is not always possible to judge or decide on the need for a railway simply on the basis of whether it is self-sustaining, and whether it will be so at once. It is often necessary to extend rail service to certain areas in order to foster their development. In many cases, and for a few years, a railway is not self-sustaining. Then the C.N.R. asks the government for a subvention to help cover the deficits of the first years.

Besides, I believe that my hon. friend found out that the same practice has been followed in the past and on many occasions.

Mr. Chevrier: May I add a supplementary question? The minister answered the first part of the question, that the main concern of the C.N.R. is whether the project is self-supporting. But has the government any policy, distinct and independent from that of the C.N.R., concerning the construction of railway lines?

Mr. Balcer: As I explained a moment ago, each case is studied on its merits. The government's policy is to foster the development of natural resources across the country by all the means at its disposal.

We already indicated that at the present time the government is having a survey made concerning a new Pine Point line. In that case, it will no doubt be necessary to grant a subvention to the C.N.R. That branch line cannot be self-sustaining from the start because too great a distance is involved.

I am giving those details without having gone into all the aspects of the question. For instance, I did not have an opportunity to go into the financing of that railway line.

If I understood the hon. member's question correctly, he would like to know whether the government, before the railway line is built, will require evidence of the project being self-sustaining from the very start.

Even if this is a repetition, I say that each case is studied on its merits, that is according to the needs of the area to be served.

The hon. member for Laurier asked the following question: what is the financial situation concerning that branch line?

As I said, there is a guarantee on the part of Mattagami Lake Mines Limited of approximately 1.4 million tons of zinc, of zinc concentrates for the first ten years, and it is further stipulated that the railway will collect a fine of $5.10 a ton every time the traffic volume does not reach 140,000 tons—

Mr. Chevrier: The minister means 1.4 million tons.

Mr. Balcer: 1.4 million tons—

Mr. Chevrier: The minister said 140,000 tons.

Mr. Balcer: No, it is 140,000 tons a year, or 1.4 million tons for 10 years.

That guarantee involves certain other details. But the railway line as such can be operated and pay its way during the first 10 years at least.

The hon. member for Laurier asked me what other ore concentrates could be extracted or exported from the area.

The hon. member for Chapleau (Mr. Martel) and the hon. member for Villeneuve (Mr. Dumas) gave us a complete description of the mineral potential of that area in this regard.

I am not an expert in the study of mining fields, but both of them stated—and all experts are agreed on that—that it is one of the

richest areas of the province, and even of Canada, in minerals of all kinds, and that is why the Canadian National Railways would like that railway to be built as soon as possible.

Mr. Chevrier: It is the minister who submits the project to the parliament, and not the member for Villeneuve.

Mr. Balcer: No, no, understand.

Mr. Chevrier: Nor the member for Chapleau. It is up to you to prove its usefulness.

Mr. Balcer: I did prove it. Besides, I said at the beginning that there would be 165 thousand tons of zinc and 25 thousand tons of copper concentrate transported each year.

The member for Laurier also asked me where that mineral would be shipped to. Well, the 165 thousand tons of zinc will be shipped to the St. Lawrence valley, in the province of Quebec, where the company will build a smelter which will employ nearly—

Mr. Chevrier: Where will that smelter be built?

Mr. Balcer: I could not tell you exactly at this time. The exact place is not yet determined; I do not have that information. However, I know it will be in the Montreal area.

As for the 25,000 tons of copper concentrate, they will be shipped by rail to the smelter of the Noranda Mines Limited, in Noranda, in the province of Quebec.

As for the financing of the project, we have followed the same method, the same financing system which was adopted these last few years each time the construction of a line of that kind was involved. There is nothing new in that. It is exactly the same for all railway lines of that kind, which are merely branch lines.

(Text):

The hon. member for Port Arthur asked me some very interesting questions. He asked me whether this would help, primarily, the province of Quebec, and I think he was wondering why this question was being raised by the hon. member for Laurier. The idea is, as I said, that 165,000 tons of zinc will be processed at a smelter in the St. Lawrence valley in the neighbourhood of Montreal, and that 25,000 tons of copper concentrate will be processed at the smelter at Noranda Mines, Noranda, Quebec.

As far as competition by trucks is concerned, may I say that eventually, of course, there will be a road to this area, but that is still a matter for the future. I do not know exactly what stage that project has reached, but the road is not ready yet. I cannot tell the hon. member now how much merchandise and goods, or even how much concentrate, could be moved by truck in connection with such a project. The other day I was in the Chibougamau area, and I was talking with a trucker who was telling me that before the railroad was built he used to work for a trucking company which ran big convoys of about 70 trucks every day bringing down the concentrate to a railhead near, I think, St. Felicien. However, after the railroad had been built, the trucks ceased to carry the concentrate or the ore. It may be that the same thing will happen in this case, because the area is certainly a very long distance from the smelter that is to be built near Montreal, and it is also a certain distance from Noranda. I do not think trucks will be able to compete in carrying the zinc or copper concentrate over such a long haul. Of course it is hypothetical, but that is about the best I can do at this stage in answering on this subject.

Mr. Fisher: The question involves the projection of other traffic. I appreciate that concentrates going to refineries hundreds of miles away will move by rail. We subsidize railways to go into development areas. They carry the bulk traffic which is in a sense low cost traffic, and lose their share of the high cost traffic. My question was directed to ascertaining whether there was some kind of protection for the railway so they can carry an all-round scale of traffic into that area rather than just the concentrates, which I admit will almost always go in by rail rather than truck.

Mr. Balcer: That is a good point. I am sure the experts of the railways who will be present in the committee will be in a better position than I to answer questions of that kind.

On Tuesday the hon. member for Port Arthur asked about employment on the physical construction of the railway. The management figures that construction will require an approximate minimum of 175 men, and that the maximum requirement will rise to between 350 and 400 men. The average number employed will be of the order of 250 men. Of course these figures are approximate, because it is difficult to estimate at the present time. The work will be done by a private contractor. If we base our estimates on similar work in similar areas, that is about the amount of employment the construction itself will bring.

The hon. member also asked what kind of train service will be provided when the line is in operation. At the present time management figures it will be approximately the same as the train service now operating to Chibougamau. This service will tie in with the Chibougamau service. This will mean about three trains a week, although if the traffic warrants it the service will be extended.

As to the completion of the line, industry at this time is pressing the railway to have the line completed by September, 1962 rather than at the end of that year. This date will not be easy to meet, but the railway will do everything it can to have the line ready by that date.

I believe I have answered all the questions asked by the hon. members for Laurier and Port Arthur. If hon. gentlemen have any other questions of this type I am sure the officials of the railway when they are present before the committee will be pleased to answer such inquiries.

(Translation):

Mr. Chevrier: Mr. Speaker, I wonder whether I could revert to the matter of financing. I am not altogether happy with the reply given me by the minister. The minister said the project was self-sustaining. I am quite prepared to believe that is the case. But I would like to have on record some indication that it is indeed self-sustaining, because the minister has already mentioned the guarantee of 1,400,000 tons of zinc for a 10-year period. How much revenue would thus accrue to the railway? He also said that it would carry 165,000 tons of zinc, and 25,000 tons of copper concentrate.

What revenue will those items provide to the Canadian National Railway? Above all, I should like to know what will be the total revenue, on the one hand, and what will be the total expenditure, including depreciation, interest, etc., on the other, so that we may know if, in the first year, for instance, the railway will make a profit or whether it will have to wait two, three or five years.

Mr. Balcer: According to the information on hand, the revenue for the first year will be sufficient to cover operation costs, including maintenance, as well as all expenses connected with traffic on the rest of the system, for that particular line—

Mr. Chevrier: What will be the revenue?

Mr. Balcer: —as well as the interests and depreciation on all the necessary equipment. I do not have the exact figures. As for the estimated surplus, if my hon. friend—

Mr. Chevrier: Will the minister give us this information later?

Mr. Balcer: Certainly, with pleasure.

Mr. Chevrier: The total amount of expenses and profits?

Mr. Balcer: Yes, you will definitely be provided with those figures.

Mr. Chevrier: Now, I intended to direct another question to the minister, but the hon. member for Port Arthur (Mr. Fisher) raised it. The minister mentioned that Mattagami Lake Mines Limited, has guaranteed the transportation of 1,400,000 tons of zinc. But what assurance have we got, for instance, that trucks will not attract part of the traffic over and above those 1,400,000 tons of zinc, as well as that of copper or any other minerals that might be discovered in that area, and which could normally be shipped by rail. As trucking concerns are on their toes and very competive, nothing prevents them from approaching mining officials to get that traffic. Then, is there some guarantee on the part of the group interested in the construction of the railway that the C.N.R. will obtain all the traffic?

Mr. Balcer: The only information I have at present, Mr. Speaker, is that this guarantee is limited to 1,400,000 tons of zinc for a 10-year period. It is the minimum guarantee given by that company, Mattagami Lake Mines Limited to the Canadian National Railways. Now, as to any surplus, I could not give you any details. However, I certainly will try to get that information. But I know it is the minimum guarantee required by the railway to construct that line.

(Text):

Mr. Speaker: If the minister has concluded his address perhaps the details might be dealt with in the committee. I will now put the question.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

Mr. Chevrier: Mr. Speaker, I should like to raise a question of privilege before the next order of business is called. I misunderstood Your Honour when you suggested a moment ago that we go into committee of the whole. I have a series of questions I wanted to ask the minister and which I still have before me. I thought I would be given the opportunity of doing this when we went into committee of the whole, but as I see it now that opportunity is not going to be given me.

Research Committee

Mr. Speaker: The bill has been referred to the standing committee on railways, canals and telegraph lines. I hope I am not doing the hon. member an injury. It is really a procedural question. The hon. member for Laurier knows that questions of detail are usually reserved for the committee stage, where it is possible in an informal way to elicit information. The hon. member did have opportunity in his main address and subsequently when the minister was speaking to ask quite a number of questions.

Mr. Chevrier: I do not think it is too serious. The only thing is that I would like to get answers from the minister. As it is now, I will not be able to get them until the committee sits or until the report of the committee is before the house again.

RESEARCH

ESTABLISHMENT OF COMMITTEE TO CONSIDER POLICY, OPERATIONS AND EXPENDITURES

Hon. Gordon Churchill (Minister of Veterans Affairs) moved:

1. That a select committee be appointed to consider the policy, operations and expenditures of the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited, and to report from time to time their observations and opinions thereon;
2. That notwithstanding standing order 67, the committee shall consist of twenty members, of which eleven shall be a quorum;
3. That the committee be empowered to sit during the sittings of the house, to print such papers and evidence from day to day as may be ordered by the committee and to send for persons, papers and records.

He said: Mr. Speaker, it is not my intention to speak at any length on this motion, because it is the same motion that was before the house last session in the month of May. It is expressed in identical terms, and is a motion to reconstitute the committee which was set up last session. That committee had seven meetings. In its second report to the house it asked that the committee, or a similar committee, be set up in the next session of parliament so that it might continue its deliberations. I might just read the first sentence of the report. It appears on page 170 of the seventh report of the minutes of proceedings and evidence of the special committee on research and reads:

> This committee recommends that it be reconstituted early in the next session of parliament in order that it may continue its deliberations.

Last session the committee heard from the national research council and spent about five meetings, I think, dealing with subject matters raised that pertained to that institution. I think the committee had in mind, had there been time available, to visit some of the establishments of the national research council. There was not time to do that; consequently they terminated their discussion of the national research council and at a subsequent meeting heard from the president of Atomic Energy of Canada Limited, who placed before them a comprehensive statement dealing with the activities of that organization.

Apparently the committee did not have time to go into that in detail; therefore its work was unfinished and it did not reach at all the third area of investigation, namely Eldorado Mining and Refining Limited. Consequently this motion is now before the house in order to set up this committee again. By setting it up in February we will give the committee a chance to complete the work it started last session and investigate thoroughly the three areas that are indicated in the resolution.

I might say the committee asked that its terms of reference be enlarged when it was set up again, but we have brought before the house now the terms of reference as they were last year; they are in exactly the same wording.

Last year I pointed out the value of a committee of the house studying the activities of those three bodies. I indicated that I thought four years had elapsed since research had been considered by a committee of the House of Commons, and, in view of the great importance of research and the great importance of atomic energy, that it would be advisable to study the activities of those organizations.

Over a long period of years the national research council has performed a function in Canadian life that merits commendation, and during the last few years Atomic Energy of Canada has kept well in the forefront of atomic development in the world. I think it would be enlightening and informative for the committee to examine very closely the work of Atomic Energy of Canada to see what progress is being made. In addition to the research facilities which it has established at Chalk River, Atomic Energy of Canada Limited is now in the process of expanding its activities, and later this year the first small reactor to deliver electric power to the Ontario grid will become operative. Within a four-year period a larger reactor, the CANDU operation, will become operative and will be delivering power to the Ontario grid. We feel confident that these two operations will prove of value in the use of uranium and heavy water as a source for the development of electric power.

Recently I was at Bombay, India, nearby which has been erected the Canada-India reactor based on the design of NRX at Chalk River and constructed with the advice and assistance of our atomic energy specialists and Canadian engineers, a joint operation between Canada and India, which was opened just last month by Prime Minister Nehru, representing India, and myself representing Canada. The Canada-India reactor is a very fine one. I would say it is the outstanding atomic energy reactor built in the world in the nature of its design and its appearance, and it will serve a very good purpose in the subcontinent of Asia to direct attention to atomic energy research and to train scientists in India, and I suppose in adjoining countries.

The future for the use of atomic energy for power is great. There are so many countries in the world that are looking forward to getting their power requirements from atomic energy plants that the pioneer work that is being done by Canada will likely bear fruit in the next few years. Therefore this is an appropriate time for a committee of the House of Commons to examine the very excellent work that is being done by our scientists and our engineers in the promotion of atomic energy and the development of atomic reactors. Then there is a third field for investigation by the committee, namely that of the Eldorado Mining and Refining Company, which did not have an opportunity to report to the committee last session.

This, Mr. Speaker, concludes my remarks. I commend to the house the setting up of this special committee.

Hon. Paul Martin (Essex East): Mr. Speaker, I am sure the house noted with interest the minister's firsthand statement on the official opening ceremony in connection with the Canada-India reactor at Bombay when he presented the resolution now before us for our consideration. It is a fact that Canada has every reason to be proud of the contribution it has made to the establishment of this reactor in one of the very large cities of India, and I believe the minister will appreciate my saying that I think it was appropriate that he, as the minister in charge of this phase of Canadian government operations, should have had the opportunity of attending as the representative of the Canadian government at the ceremonies in Bombay the other day.

I had the opportunity on one occasion, in 1956, of touring this tremendous installation, when it was in a stage of construction under the direction of the director, Professor Baba, who has played such a notable part in the international co-ordination of atomic energy knowledge. It will be recalled that Professor Baba, one of the distinguished scientists of the world and certainly one of the foremost in India, played a very notable part in the conference of world scientists convened in Geneva in 1954 at the instance of the present Secretary General of the United Nations, all as a prelude to the setting up of the atomic energy agency of the United Nations.

Speaking from memory, I believe Canada has contributed roughly half the cost of this reactor, and I believe the estimated cost at the beginning was somewhere in the neighbourhood of $35 million. There may have been further costs involved but in any event I am sure that Canadians will not be dissatisfied with the contribution they have made.

Hon. members may not recall the circumstances of that particular gift which flowed out of Canadian knowledge of atomic energy, the work being done at Chalk River and the work being done by our scientists in the national research council and in our universities generally. This contribution by Canada was among the first contributions made by a country with know-how in atomic energy to another country less endowed in that particular. We made our decision at a time when the United States had likewise decided to establish in the Far East an atomic energy installation in the Philippines.

I am sure we will all agree with the Minister of Veterans Affairs (Mr. Churchill) that this contribution of Canada toward bringing to India and to Asia a knowledge that was primarily discovered by scientists of the west is a contribution of which we will have every reason to be proud later. But, as Mr. Nehru said on one occasion, while it may be true that western scientists did initiate the discovery of atomic energy, no one can deny the great contribution made through the knowledge of Asian scientists out of which has grown the basic knowledge of scientists in the west who were given the opportunity of playing a primary role at the beginning of this great discovery.

The minister has said that in setting up this committee an opportunity will be afforded to examine the work being done by Canadian scientists and engineers, and I think that is a very important examination for parliament to make in connection with a matter that becomes increasingly of such importance in the development of our world and national societies. We are the only country with atomic energy know-how and with an atomic energy installation that right

from the first decided that its atomic energy knowledge and installations would be used primarily for peaceful purposes. Neither the present government nor the former government has varied from that intention, and I am sure I express the hope of all Canadians when I say that I hope the turbulent conditions of our times will not prevent our adhering to that objective in the days to come.

I am sure this is a useful committee to set up and members of this party will play their part in giving responsible and careful scrutiny to the work of the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited.

I have one final thought. The developments that have taken place in the national research council with regard to the setting up of a special section for medical research are a matter to which the minister did not direct our attention but one which I know he will regard with us as a decision of the greatest importance. Great discoveries are being made in many areas of scientific activity. In the field of medical scientific research discoveries over the past decade and a half have been of the greatest significance. It would seem to me that the decision of the director of the national research council and others to give a special status to medical scientific research is a wise move, and I believe that under the direction of Dr. Ray Farquharson that decision will stimulate medical scientific research, give added assistance to medical research in our universities, and generally make it more financially possible for many potential scientists to make their contribution toward the improvement of medical and health standards in this country.

The kind of pursuit envisaged in the setting up of the committee is one which hon. members will follow with only one concern, the advancement of scientific causes in the hope that in the days to come such advancements will be used primarily in the interests of furthering the causes of civilization rather than for the purpose of devising ways and means of destroying that civilization.

Mr. Walter Pitman (Peterborough): Mr. Speaker, it is a very great pleasure to be able to express the agreement of this group with the motion to set up a committee on research early in the session. Before I begin my remarks with regard to the committee, I should especially like to take this opportunity of doing what I have purposely refrained from doing up to now and pay my respects to the memory of my predecessor in the house, Mr. Gordon K. Fraser. I have not done so before because I wished to wait until I could relate his name to the area in which he made his greatest contribution. All members now in their seats will know, of course, that he was chairman of the committee on railways, canals and telegraph lines at the time of his death, and possibly it was in this area that he made his most outstanding contribution. I know that his death nine or ten months ago was a tremendous shock to members of the house and I can assure you that it was a great shock to his constituents. Only a few weeks before I sat in the gallery as his guest and his respect for this house was evidenced in the fact that during the years he sat here he brought over 8,000 young people from the schools of Peterborough to Ottawa and entertained them here so that they could see the government of Canada in action. I can assure you that he will always be remembered as a credit to this house, a credit to his party and to his country. Indeed, it is with some humility that I attempt to follow in his footsteps.

In so far as the establishment of this committee is concerned, I think we must remember that it will give parliament an opportunity to investigate and to appreciate the work that has been done in this country in the field of research, especially since the second world war. Indeed, one might say that Canada has been in the forefront in this area of scientific research since 1916 when the national research council was set up. Perhaps it is as a result of this very important government agency that Canada's position is so high in this area of scientific research.

We in this corner are particularly enthusiastic since defence research has been separated from the national research council. Nearly everything which is done by the national research council, except in particular areas, is done in the name of peace. It is almost ridiculous now to say again that we stand at a fork in the road. One road leads to our complete annihilation, while the other leads to the end of poverty, sickness and disease throughout the world. I feel that years from now men will look back and realize that this country has done a great deal toward the solving of that problem. We have played a real role as a result of the national research council. It would take a great deal more time than is available at this moment to give the details of the work that has been done by the national research council in the various areas to which it has been assigned. It would take even longer to describe fully the fellowships, scholarships and grants which have been given, and the extent to which they have helped people in conducting research. I will, therefore, not go into that today.

Certainly one of the things which has been accomplished has been the bringing of foreign students to Canada to take part in this

scientific research, thus enabling them to take this knowledge back to their country. Surely no country can do more than this in contributing toward better understanding throughout the world. In addition, Canadian students have been able to go to other countries and have been given further opportunities for research. This interchange of ideas has perhaps made the men of science more internationalistic than any other group in the world. It would seem that the scientists are in the forefront of those who are concerned with making this a more peaceful world.

I am sure, Mr. Speaker, that as a result of its investigations this committee will come to realize the extent to which these agencies have given Canada a reputation second to none, especially in the area of atomic energy. Atomic Energy of Canada, of course, has had many pressures upon it. We realize that the resources of Canada are coming to an end or will be coming to an end during the next half century. We will be dependent, perhaps not in the foreseeable future but in the future, on atomic power. The fact that Canada has a nuclear reactor in Ontario is an indication that this nation is already looking ahead and is ready to begin the long process of converting to nuclear power. I am very proud of the fact that Canadian General Electric, a major industry in my constituency, has played a great role in this area of atomic research. Indeed, this private industry has supervised the construction and has helped to design this particular reactor, and has contributed some $2 million toward its erection. I think it is extremely important to remember that private enterprise is already willing to take an active part in this work.

I believe all these things point to the fact that this committee will provide parliament with an opportunity to participate in these most important developments. There are a number of problems with which I am sure all members in this house are particularly concerned. One of these problems is how nuclear power can be used safely and just exactly how we can get rid of radioactive material. These are things which must be investigated. It is to the advantage of Canada that she has begun her investigations early. I know that those members of this house who will be participating in this committee will find the work a great challenge.

Mr. Erik Nielsen (Yukon): In rising to speak to this motion, I do so on behalf of an area in Canada which constitutes about 40 per cent of our nation. When one considers that little is known about the northern sections of the provinces across the country, one can see that I am speaking about 50 per cent of the country. Northern research has been sadly lacking, if not non-existent over the years. The investigations that were conducted by the mines, forests and waters committee in 1958 pointed up the serious lack of research in this area. I was rather hoping that when this committee was set up its terms of reference would contain a provision directing inquiries into the various factors which affect research in our northern areas.

At the moment the only research activities that are being carried on in the Canadian north are those which are being conducted by the Arctic institute which has established a station on Devon island in the Queen Elizabeth group. Then there is the Jacobson-McGill institute which has a station established on Axel Heiberg island. The stations which have been set up by these two units are run pretty well on private funds, particularly the Jacobson-McGill institute. Two other institutes have been established, one at the University of Alberta, which has been set up for research studies of the north. I believe this one is called the Boreal institute. Then there is one at the University of Saskatchewan which was established just last year or the year before, and I believe it is called the institute for northern studies. Of course, the Arctic institute finds its home in Montreal.

I feel that northern research is very important to the future development of Canada. I am sure the members of this house will agree on that score, particularly in the light of the northern development policy of this government. One should remember also that the United States is spending some $20 million annually on studies in the Antarctic. When considering the importance of northern research, one must keep in mind the fact that the Soviet union has approximately 100 Arctic stations that have been set up in that country for furthering these studies. These stations are in addition to the nine or ten floating ice stations, some of which are used as bases from which other scientific parties probe the Canadian sector of the Arctic. Since 1934 thousands of these travelling Russian scientific parties have probed the secrets of the Arctic to further their research. Indeed, they have come as close as 200 miles from the northern shore of the Yukon Territory.

I feel that the policy over past years regarding Canadian research in the Canadian arctic appears consistently to have been to do the minimum possible. The result has been that research has only been carried out when we have been pushed into it by other countries carrying out or wishing to carry out research in the Canadian arctic or by reason of some international program in which we had to participate such as the international

geophysical year or we have been pushed into it by the realization of how far we were falling behind other countries in northern research. I think that in view of the findings of the mines, forests and waters committees in 1958 and the evidence in support of those findings that there can be little doubt that we are sadly lacking in our research activities in Canada's north when those activities are compared with those of other countries, particularly those of the Soviet union.

To some extent this neglect of northern research was natural. The country is large and there are pressing research problems elsewhere with more direct application, some of which the minister has mentioned, and scientists are scarce. With the need to meet the immediate demands of a rapidly expanding economy there has been a reluctance to assign to the north any large portion of the country's scientific effort that the particular northern problems require. It is also a fact that in general Canadians have never been attracted to the north. For instance, a large number of Canadian missionaries do work in China while many missionaries in northern Canada are drawn mainly from Europe.

The benefits to be derived by the nation from an active program of northern research are many and varied. For the effective development of the north a major expansion of research is essential in my view. Without thorough and continuing research any development in the north is certainly to be more costly and more easily misdirected. Owing to our geographical location Canada is expected as a northern nation, an arctic nation, to take a leading part in any northern matter, whether it is civil or military. This is an obligation which Canada, as a northern nation, as a people of the north, cannot evade, but it is one which we shall never fulfil effectively without adequate research.

In a rapidly shrinking world, in the age of jet and space travel, our sovereignty in the north must be continually reviewed and strengthened. There is no more effective way, no means less costly and no means more intrinsically useful of strengthening Canada's sovereignty in the north than the conduct of thorough scientific field research programs and the publication of their results. I am not the only one who shares this view. Dr. J. Tuzo Wilson, who is professor of geophysics at the University of Toronto, in 1959, wrote a series of articles for the *Telegram*. During the international geophysical year Dr. Wilson travelled some 100,000 miles over the earth and during the 18 months of IGY spent some time in both the Antarctic and the Arctic. As set forth in the *Telegram* of January 7, 1959, he indicates the following views:

[Mr. Nielsen.]

If there is one thing that the IGY has brought out, it is that we don't know enough about the Polar regions. Because of their special position they have unique geophysical interest and importance, but most geophysical theories have been built up upon observations made in temperate regions. In the IGY fresh information obtained especially in the Antarctic has shown that our ideas about wheather, aurora, magnetism, cosmic rays, nearby space all need modification. What is especially needed now is more information about polar regions and particularly about the Canadian Arctic. To gain this will require not 1 per cent of what has been spent on arctic defense and will save itself many times over when new developments are required.

I am sure that the Canadian government is quite aware of this and indeed it is already preparing new programs, but one feature of great importance is missing—the participation of Canadian universities on an adequate scale.

What are some of the research needs in the Canadian north? This subject can be divided into headings, the first of which I feel is technical and resource survey. The fundamental importance of detailed technical surveys appears to have been recognized in recent years and there has been a marked increase in survey work in the north since the second world war. Indeed, there has been an extremely marked increase in this survey work during the past five years. The program of air photography is of particular value as air photography, together with securing adequate geodetic control, is the only practical method of detailed mapping of the north and it was a startling fact which was advanced from the inquiries of the mines, forests and water committee of 1958 that at the present rate of mapping our country it will take 100 years to complete it. The present program and the related mapping activities appear to be somewhat lagging and it should be reviewed to ensure that it is keeping pace with requirements.

As well as mapping the arctic islands, there is a problem of charting the arctic seas. A program which I submit, from the information that was available to the committee in 1958, the Russians have almost completed. Here there is a tremendous volume of work to be done before charts comparable in scale and accuracy to those of more frequented waters can be produced. At the present scale of effort it would take some 250 years to complete this type of mapping.

The current interest in the oil potential of the arctic islands and the advent of submarines in polar waters are recent pointers to the necessity of greatly increasing hydrographic charting in the north. This can be done only as a long term program for which more special ships are essential. Here I feel the government is to be congratulated on the program that the Department of Mines and Technical Survey is carrying out in the polar continental shelf project.

Our future in the north is a mineral future. Minerals are likely to prove by far the most important resource of the north. I think that fact is well recognized. The mineral potential of the north is still unknown and the need for geological surveys is obvious. In a recent release by the bureau of statistics I note that in British Columbia from their 20 silver producing mines they produce only $300,000 more than the Yukon Territory produced with its one silver mine. It is therefore obvious that the economy of the country as a whole can be strengthened to the benefit of all Canadians if more such mines are operating. Only about one third of the Canadian north has been covered by geological mapping even on a reconnaissance scale and still more remains to be done in gravity and airborne magnetometer surveys. Without the geological surveys Operation Franklin, no commercial interest would have developed at this time in the oil possibilities of the arctic islands.

I cannot stress too much the importance of research in this field. Should we not be thinking of setting up an arctic research station for the purpose of investigating ice conditions, water conditions, surface conditions generally and subsurface conditions, as an assistance to those who are conducting the search for oil and gas in Canada's arctic islands? Little is known about the geology in these areas.

While recognizing the paramount importance of minerals as a resource, other possibilities should not be neglected. There is little detailed information on the water power potential of Canadian arctic rivers or of their seasonal variation in flow. Study of the potential of fisheries and wildlife and of possible conservation measures should receive increased attention. In other northern countries reindeer herding has proved successful. Experience in Canada was at first promising but has recently been disappointing. The reason for this probably lies in the lack of research into all aspects of the reindeer industry.

Research, too, is related to transportation. Transportation is one of the things most desperately needed for the efficient opening up of the Canadian north. I have already mentioned the need for hydrographic surveys. A related field is the study of ice formation and the distribution and forecasting of ice conditions. This is work at which the Russians have for many years been far ahead of the rest of the world. Canadian ice studies have recently been co-ordinated under the meteorological division of the Department of Transport. Most of the work contemplated, however, appears to lie in the simple reporting and forecasting of ice conditions. A promising area of research lies in the analysis of past records of ice and their correlation with meteorological factors.

Oceanography is of basic importance to submarine navigation as well as to fisheries research and has also far-reaching applications in other fields of science. I think that in 1958 the mines, forests and waters committee discovered that Canada had only one oceanographer in the whole of the scientific staff of the civil service and that we actually needed 35 as a minimum requirement. The program of Arctic oceanography initiated since the war and carried out to a large extent by the ship *Labrador* should be continued and expanded particularly in the channels between the islands of the Canadian arctic archipelago to complement the work of the Canadian polar continental shelf expedition which is now under way.

The joint arctic weather stations were established primarily for the purpose of forecasting and reporting weather conditions but they have provided a large amount of new data for research of wide interest. The programs at the stations could be further expanded, and Canadian sovereignty would be strengthened if the complete operation of these stations were taken over by Canada.

The application of recent advances in technology to the design and development of more suitable vehicles, aircraft and shipping for northern service would be of particular value to all northern activities. The transportation of the future in the north might well consist of truck trains with oversized or balloon tires travelling over the tundra and rocky country of the north to transport the ores to smelter and to market. Research into methods of icebreaking and the design of icebreaking vessels appears to be a most appropriate field for Canadian endeavour.

Owing to the events of the international geophysical year, geophysics have recently received considerable attention. The location of the north magnetic pole and the maximum auroral zone and the related implications for space travel and cosmic ray research make the Canadian north an area of exceptional geophysical significance which justifies a greatly expanded effort in geophysics. There are, however, other fields of pure research for which the north is particularly suitable. These include glaciology, arctic medicine, and physiology particularly in connection with cold adaptation and the interesting studies which were carried on during I.G.Y. by a team of doctors in the Old Crow region of the Yukon Territory from which some very useful results were obtained.

There is also a continuing requirement to collect and describe the natural history and material culture of the north and to conduct

archaeological expeditions, a field in which, I am happy to note, the government is now taking a more active interest. The national collections do not compare favourably either in size or accessibility with those of other countries.

There are certain special conditions in the north influencing construction and development and causing problems whose solution requires both pure and applied research. The presence of permafrost, for instance, is one of the most common of these problems; this permanently frozen ground has far-reaching effects on all types of construction. The nature of permafrost has to be fully understood if satisfactory construction techniques are to be developed. I think the government has found out, to its sad disillusionment what this problem of permafrost can mean. I remember one building which was constructed at Yellowknife which had a full basement. It was ten feet lower the following year because of the thawing out of the surrounding permafrost.

Another problem is the prevalence of biting flies which make outside activity intolerable. Here, fortunately, research in control methods has produced promising results. This is particularly important if we are to have any development of livestock farming in the Yukon. There are many fields of modern technological research which can overcome or reduce northern problems such as the long distance transmission of power, possibly by direct current and the prevention of freezing in harbours by means of compressed air or by nuclear devices.

The current changes in the north cannot fail to have a profound effect on the native peoples. In recent sessions of the Yukon and Northwest Territories councils and elsewhere grave concern has been expressed that the impact of civilization and the consequent destruction of native culture is resulting in a serious and rapid decline in standards of morality. The situation demands a comprehensive program of research in social anthropology, to determine and define the problems facing native peoples under these conditions and to recommend measures to alleviate their difficulties of adjustment. Without these studies a heavy and continuing price will be paid in relief and rehabilitation measures as well as in human suffering which might have been avoided.

I mentioned the universities and so did Dr. Wilson in his series in the Toronto *Telegram*. In any plan to increase scientific activity in the north the universities must play an important part, both in the actual conduct of research and in the training of northern scientists. Scientists are hard to get at any time but without sufficient government support we shall not get them at all. Scientists who are willing and able to go to the north but who cannot afford to outfit themselves stand in need of an organization with the necessary funds to back them. The government should therefore, in my view adopt the policy of supporting these institutions by grants in aid to such as the institute for northern studies in Saskatchewan in order to assist and encourage their research activities.

It has been suggested that some universities should specialize in northern studies. This appears however to be a restrictive policy. Northern research is so important to Canada that in my opinion all universities should be encouraged to undertake northern studies, and the need only becomes greater in view of the increasing demands which are being placed on the funds required to run our universities throughout the country. I appeal for government support in this field. The most effective way of providing this encouragement would be by making grants available to universities for programs of northern research. In this way certain faculties at universities could build up their capacity to undertake northern research and to provide trained scientists. This should be initiated immediately in order that university faculties might be able to orient their activities with the object of making grants on an increasing scale to reach about $1 million a year within three or four years. To serve both government and university scientists, laboratory facilities are necessary in the north itself. These should be on a modest scale—and I do mean modest scale—providing the minimum accommodation necessary for scientists to carry out such laboratory investigations as cannot be carried out in southern Canada.

Dr. Wilson suggests such an establishment at Hazen lake on Ellesmere island. The defence research board has a laboratory with facilities for defence research at Fort Churchill. I suggest that these facilities be made available for civil research. In addition, two laboratories, one in the high Arctic in the arctic islands and the other in the western Arctic, are necessary.

The government has taken a step in the right direction in providing in the estimates this year, I believe, sums to provide for the establishment of a research laboratory at the new settlement at Inuvik in the Northwest Territories. It will take about two years to complete even this small station.

I should like to conclude these remarks by quoting from an editorial entitled "Time to

Make the Arctic Ours" which appeared in the Kingston *Whig-Standard* of March 6, 1959, and which reads:

It appears that we need to do more survey work in the area—

Of northern Canada—

—and that the only really safe position is that of actual occupancy. It has been admitted by the minister of mines, Mr. Comtois, that very little has actually been done to increase the pace of our Arctic research. The government now has plans for more activity and there is at present an expedition on the continental shelf.

It seems strange that, with all the discussion of our sovereign rights during the past few years, the government has not done the obvious things in the north country. We talk a good deal about how important the whole area is to us, both economically and strategically, and yet we have undoubtedly neglected to act as if we were determined to keep trespassers out. We may wake up some day and find that this situation has been exploited by some other nation and that we have on our vital back doorstep a most unwelcome—and permanent—squatter.

Mr. H. M. Batten (Humber-St. George's): Mr. Speaker, I should like to make a few comments on the setting up of this committee. I am very happy that this committee is being set up again this year. This, in my opinion, is a very important committee. In so far as it relates to the national research council I think it is important for parliament and for Canada to know what is being done in that organization. My own private opinion is that good work is being done and that while its activities are carried out within the confines of scientific laboratories the results of these activities should be communicated, not only to those who are indirectly affected but in particular to those who are directly concerned.

In so far as the activities of this committee are concerned with atomic energy it is important to know what progress is being made in a field in which Canada was a pioneer. In the atomic age and in the age of automation research in its widest sense expresses itself in our standard of living, in industry, in labour and, in fact, in every segment of our national life. I believe, too, that we are at this time passing through a stage when research in all its forms is more important than it has ever before been in the history of our country.

Last year's committee was set up late in the session and there was not time to do all the things which hon. members of the committee would like to have seen done. The operations of a research organization must of necessity be complex and time is required to obtain a detailed knowledge of its activities.

While the time at the disposal of the committee of last session was insufficient, I believe that the committee, under a very able chairman, made a very good beginning. This year, with the committee being set up earlier in the session I would hope that it would be able to give attention to those areas of inquiry which could not be considered last year.

I was fortunate enough to be a member of the committee last year. In the meetings we were able to have last year I came to the conclusion that the amount of work this committee is required to do is so great that it might be worth while if the committee were divided into two parts, one part dealing with the national research council and research in general and the other dealing with atomic energy and related research.

I do not know if the minister proposes to have this committee operate every year but I think it might be a good idea if in one year the committee would deal with the national research council and research in general and the following year deal with atomic energy, Eldorado Mining Company and other aspects of our atomic research.

We all know that research in the field of science has expanded greatly in Canada during the last 40 years. The national research council, established in 1916 under the name of the national advisory council for scientific and industrial research, had during its first year less than 20 employees. Last year the total of scientists, technical employees and service staff was approximately 2,600 and this figure does not include those employed in defence research and atomic energy.

The committee was able to see last year that the national research council has not only increased in size but has become increasingly important in the quality of its scientific investigations and the importance of these investigations has been recognized, not only in scientific circles in our own land but in every country in the world in which any worth-while research is being conducted.

During the third meeting of this committee last year the members were discussing the increase in the circulation of Canadian scientific journals. During this discussion it was learned that in the month of May 1960 the circulation of these journals totalled 10,000, 4,000 in Canada and 6,000 in foreign countries. Dr. E. W. R. Steacie, president of the national research council, used the distribution of these journals to illustrate the growth and importance of Canadian science. I should like to quote from page 121 of the evidence given before last year's committee, where Dr. Steacie in referring to the growth in Canadian scientific journals, said:

Really, this is just a reflection of the fact that Canadian science has come ahead. Thirty or forty years ago there were just the odd small groups which were internationally well-known. There has been a very big increase since. The net result is that scientifically, rather than being in the backwoods we have now become one of the important scientific countries in the world—

This statement coming from a man of Dr. Steacie's stature, from a man who enjoys such a distinguished reputation in scientific circles both inside and outside Canada, should not be allowed to pass unnoticed and should indicate to parliament and to the Canadian people that the quality of Canadian science and research warrants our attention and support.

Last year when the minister referred to the setting up of this committee he said that the research complex consisted of government, universities and research. That may be one of the reasons why Canadian science has become so important as it is. It is because of this group of three which is doing such a fine job of research in Canada. I do not think that scientific research, fundamental research, or any other kind is ever going to be very important in any country unless the universities are able to make the greatest contribution possible.

As far as industrial research is concerned, I believe that we should take a much wider view. I know that industrial research may not come directly under this committee, but one thing I would suggest is that at some time or other this committee take a very wide look at research as it exists all across this country. At the moment I believe we are in a position where we cannot afford to have research in countries which are our competitors ahead of research in our own country. We need more products, different designs, not only for the people of our own country but for exports, and these new products and designs can be arrived at only by industrial research.

In years gone by not a great deal of research was done in this country and even up to recently much of it was done either by parent companies outside of Canada of subsidiaries in Canada or by large companies. In fact, even in 1959, 72 per cent of the total amount of money spent on industrial research was spent by companies whose liabilities were over $50,000,000. In this country we would not expect small companies would make a very large contribution to industrial research. Obviously they would not have the facilities to do so. An electronic microscope, for example, properly placed, would cost somewhere in the vicinity of $70,000 to $80,000. An infrared machine would cost in the vicinity of $15,000. These are expensive pieces of equipment for small industries, with the result that most of our industrial research has been done by the larger companies in conjunction with, of course, the universities and the national research council.

There are those who contend that we are not spending enough money on industrial research in this country. In the year 1960 the amount spent on research in Canada was about 1 per cent of the gross national product. This figure of 1 per cent is compared with the United States where the amount of money spent on research is about 2.74 per cent of the gross national product. I could not agree with this particular comparison for the simple reason that the United States government gives great support to defence production and to industries engaged in defence production, much more so than we do in Canada. I think a much better comparison would be to compare our situation with the situation in the United States in 1954. If we were to do that—and we would then be excluding much of the money which has moved into defence production—we would have the amount of money spent on research in Canada as one per cent of our gross national product and the amount spent on research in the United States as 1.4 per cent. When it is viewed in this manner it is obvious that we are spending per capita approximately the amount of money that the United States is spending. I am not trying to argue here that we are spending enough. I still think there are many things to be done in research in Canada and they can only be done by the government and industry making contributions to research in general and to the universities in particular.

I suppose most people have heard something about a little disagreement going on now between industry and the national research council. The national research council says that industry is not alert to the things that are being developed by the national research council, and the industry says that the national research council is not producing those things which can be easily manufactured. Here is a question which this committee might take the trouble to look into and see whether the needs of Canada, in so far as research is concerned, are being met by the national research council, by industry and by the universities.

I do not suppose that the suggestion which I am going to make now would have very much acceptance, but if this committee were to get a broad view of research as it goes on in this country I think it would be necessary not only to discuss what goes on with the national research council, with industry and with atomic energy and so forth, but what is done by other departments of government that have research departments. I am only talking about the other departments of government bringing in their research activities. I am not talking about discussing estimates, or anything like that. If that were done, then this committee would get an idea of what goes on not only in the national research council, in industry and at the

universities but it might also get an idea of the research that is being carried on by other departments of government. I know that this research in other departments of government is taken up in the committee to which the estimates are referred, but in this particular instance I believe that if departmental research were taken up in this particular committee it would be possible for the members of the committee to have a broader view of what actually goes on in research in this country.

I suppose it is a little bit difficult for any country to retain all the scientists it produces, but I believe we must make an effort to provide the proper equipment, the proper environment and the proper incentives for those Canadians who become expert in the field of research to remain in their own country and work for the good of their own country. I believe that can only be done after giving to research in all its phases the assistance which it deserves.

I am not going to make any comments now about the idea that has been talked about recently, namely the research community, but I believe that the research community has much to commend it and I believe it is really important to industrial research in this country. Therefore, as we increase our research in this field we shall be also retaining well trained scientists within the confines of our own country.

In the field of atomic research there are those who believe that here again we are spending too much money. I do not believe this is true. In 1960 the per capita expenditure by the Canadian government was $2.25. In the United States it was approximately $1 per person. Another measurement of how much we are spending on research and atomic energy as compared with the United States would be to compare the annual expenditure on nuclear power with the total annual value of sales of electricity. This figure for Canada would be 5 per cent; the figure for the United States would be 1.5 per cent.

I think there are two reasons why we in Canada should take nuclear research very seriously. First, Canada pioneered in this field and we should make every effort to maintain this advantage. Second, the time is not too far away when we are going to be able to construct small nuclear power plants which will be able to produce electric power efficiently. This will be of tremendous advantage in many parts of our own country, particularly the north, and certainly these units could be sold in many other parts of the world.

Canada should not spend on nuclear research at the expense of other forms of investigation but should spend enough to preserve and protect our interests at home and abroad. Some attempt should be made to determine what Canada should be spending. I think that would be a very good question for the committee to examine.

When we were discussing the report of the committee last year I thought that we were not spending enough money on medical research, and I believe that here is one field where a good deal more attention could be paid. The hon. member for Yukon (Mr. Nielsen) mentioned a few moments ago the transmission of electric power. I referred to this last year because I have a direct interest in the matter. We in Newfoundland have in Hamilton falls a great potential source of electricity. If that electricity has to be transmitted by the usual high tension alternating current method we are not going to get the amount of power from that source that we might otherwise get. I believe that here is a field of investigation—some other countries have taken up the matter—where we might investigate the possibilities of transmitting over long distances large amounts of power by direct current.

There are many other fields of investigation in Canada that need to be examined. There is no necessity of my saying any more now. I do say that I am pleased to see that the committee is being set up again. I think it has a lot of work before it and my main recommendation is that the committee be divided into two parts, one to undertake investigation of the national research council and research in general and the other to examine into research in the field of atomic energy.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I always listen with interest to the remarks made by the hon. member for Humber-St. George's (Mr. Batten) on topics of this type because I always think he makes a most thoughtful contribution to the debate. I rise to express my wholehearted support for the motion because I believe that in view of the importance of research to the Canadian economy it is very necessary that the house and the country be well informed concerning the policy, operations and expenditures of the national research council, Atomic Energy of Canada Limited and the Eldorado Mining and Refining Company Limited. When we realize that there is a total expenditure of approximately $30 million I think this indicates the scope of the work undertaken by these organizations.

Before proceeding to deal with the question I rose particularly to discuss, I should like to mention the fact that in a quite well known report some time ago it was suggested that the staff of the national research council and

such organizations be brought under the terms of the Civil Service Act. As far as this group is concerned, we would oppose any suggestion to implement that recommendation regardless of the importance and the high standing of the gentleman who made the recommendation. We in this group think it would be most unfortunate to take a step in that direction. It would undermine the spirit of free inquiry and the spirit of scientific initiative which we believe it is most necessary to retain if the staffs of the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Company are going to make the greatest possible contribution to research at this time.

I rose particularly, Mr. Speaker, to deal with an article that appeared in the *Financial Post* of January 28.

Mr. Churchill: Would the hon. member permit a question before he proceeds to another subject? Would he make it clear that the suggestion about the staff of the national research council did not come from anyone in the government?

Mr. Herridge: I am sorry if I did not make that clear. I thought everyone in the country was so well aware of the suggestion and had such knowledge of the details of the report that they would know the report to which I was referring. I am referring to a report made by Mr. Heeney, I believe, with respect to the civil service. I accuse the government of a great many delinquencies, but in this case, regardless of party, we all agree that they are not guilty.

Mr. Churchill: Thank you.

Mr. Macdonnell: I am very interested in what the hon. member has said and prima facie I am inclined to agree with him. However, if I were suddenly asked why I feel that research in this department is entirely different from research in the Department of Finance I would not be able to answer the question. Perhaps the hon. member could enlighten me.

Mr. Herridge: I think research in the Department of Finance at the present time would be research related to government policies and possibly involving influences of that kind; in other words, surely it would be mathematical and mechanical research. I am referring to scientific research where the staff must be free to develop their lines of inquiry and their scientific investigations in a way that is unrelated to government policy.

Having leaped that rather low hurdle, I will now proceed with the matter that caused me to rise because in recent days I have been restraining myself very much, and I am sure the hon. member for Greenwood (Mr. Macdonnell) will give me full marks for that. I have reference to an article in the *Financial Post* of January 28, 1961 which has caused some concern to persons interested in the work of the national research council. While I am only a humble backwoodsman living a more or less peasant farmer's life under normal circumstances, I do read the *Financial Post* to find out what industry and those who control the wealth of this country are doing other than the control that is retained by governments, both federal and provincial, which in my opinion is increasing almost every day.

Mr. Macdonnell: Then you say that research of this type is in a category by itself.

Mr. Herridge: Quite right. I say that as a member of parliament and not as a scientist. I find that the *Financial Post* is a very responsible and reliable paper with respect to the economic questions that come before us in Canada and that are multiplying every day, not particularly because of the deficiencies of any government or individual but because of the nature of the development of our country which is becoming so complex and complicated. In my more or less contemplative moods, Mr. Speaker, when I look around me and realize the endless problems we face from day to day which I quite admit are not going to be solved entirely by legislation, I can well understand why the Buddhists build monasteries in the Himalayas.

I want to deal with this article because I have had some correspondence about it and as this paper has a wide circulation the article has caused some concern. After reading the editorial I will deal briefly with a few comments made by persons on both sides of the controversy. The article appears in the column, "The Nation's Business", and it is headed, "Make Our Ideas Earn Our Keep". I have tried to do that all my life, Mr. Speaker, and have always been successful. The article reads in part as follows:

> Top Ottawa scientists, including such able and distinguished men as president E. W. R. Steacie of the national research council, charge that Canadian businessmen are unalert to, and largely unaware of, the value of scientific research. They say Canadian industry is neither bold nor imaginative about developing new, money-making processes and products created by N.R.C. scientists.
>
> They strike out particularly at "lack of initiative" among Canadian subsidiaries of U.S. companies.
>
> This is an indictment of some gravity. It comes from men who spend over $30 million annually of the taxpayers' money to keep Canada abreast of scientific innovation in this fast-moving world.
>
> These criticisms, as might be expected, have brought heated protests and countercharges of "prevarication and fabrication" from businessmen.

It is interesting to note, Mr. Speaker, that there are persons who use rather strong language outside of this house as well as in it.

There is little point in declaring either the scientists or the businessmen wholly right.

But there are some hard facts to consider.

Canada allots only 1 per cent of G.N.P. to research and development *v.* the 2½ per cent spent by the U.S.—yet we try to live and prosper like Americans. Less than one third of the Canadian research spending is done by business, the rest by governments. The greatest part of all privately sponsored research, 70 per cent, is done by the really big companies only—those with annual sales of more than $50 million.

It is true that Canada has often taken the easy way out and let the U.S. do much of its research for it—and Canada has benefited. It is also plain that the relatively small Canadian market simply isn't big enough to make every top idea which national research council comes up with worth developing, if business even knows about it.

This editorial goes on, and I am quoting it at length because I think it is very well written and informative.

Twenty six Chances at Success

It is a known fact that for every national research council invention developed and sold by a Canadian company, another invention has been turned down in Canada only to be licensed abroad, produced abroad, and imported into Canada from abroad.

I want to insert at that point, Mr. Speaker, the remark that this is after the Canadian taxpayer has paid for the research that produced the invention.

But neither business nor the scientists will make yards for Canada by shouting about the past. Let's, instead, see what can be done about improving communication between science and industry. This cannot be achieved by industry having only its own scientists keep in touch with national research council. It takes an industrialist to transform a feasible idea into a marketable product.

That is very well said.

If industry is more prepared to examine the potentials in national research council work, then national research council has some responsibility for keeping industry informed and enthusiastic about its projects.

More immediately, let's see what can be done about the 26 new patents on the national research council list which the scientists say are immediately feasible for Canadian development. That is where the profit in this controversy lies.

In that connection, Mr. Speaker, the various persons concerned have comments to make. There is an article here by Mr. Terence Robertson which is headed, "Our Patents Going Abroad: Research Storm Blowing Up". I have noticed that the articles by Mr. Terence Robertson are usually exactly written; they are not written for sensation. Anyone who has followed his articles must have noticed that he must do a great deal of research himself because his figures and his facts are accurate. He says:

There's a big debate brewing in Canada. Does Canadian industry make full use of discoveries by Canadian scientists?

Research Committee

Some scientists this week boldly charged that industry fails to develop the results of government-sponsored research—

Then, later in the article, he says:

Industry leaders retorted heatedly to the charges. They blame the scientists—particularly those of the government's national research council—for failing to tell industry what they are doing. Industry leaders also insist that scientists don't understand marketing problems, or the kind of sales potential needed to justify development.

Then the various persons give various illustrations of inventions that have been produced and what has happened to them. They are being sold abroad, and so on. Then, after the charges made by industry, various members of the national research council reply. Dr. Steacie says, and I quote:

Although there are encouraging signs of increasing enthusiasm on the part of industry, I must admit that on the whole they don't show much interest—certainly not as much as we would like.

Then Dr. Mackenzie, who I might mention is very well known and a member of a famous Canadian battalion, the 54th Kootenay battalion—I cannot lose an opportunity to mention that fact—has this to say:

I blame Canadian industrialists for being unalert to the opportunities presented by the work of the national research council and other government scientific departments.

The various representatives of industry and the national research council present their views concerning both sides of this question.

I believe it is a good idea to have this debate because it brings to the attention of members certain facts. I am sure most members of this house were unaware, as were the people of the country, of many of these facts. I suggest that in addition to the proposed routine examination which the committee will undertake of the policy, operation and expenditures of the national research council and these other organizations, in the light of this article and the difference of opinion that exists there should be a most detailed inquiry into the situation and the senior staff of the national research council as well as the leading industrialists should be asked to come before the committee to give their views. I think it is very necessary that we secure the facts so that, as a result of that inquiry and the discussions that will revolve around it, we can do as suggested in the editorial, remedy the situation as soon as possible.

Before concluding, Mr. Speaker, I want to make one other suggestion. I feel that the value and scope of the work of the national research council and these other organizations is insufficiently known to many Canadians. I have often talked to people about this question and I find they are unaware of the work of the national research council,

the provincial research councils and the research that goes on in universities. I do feel that the national research council could perform a great service if it established a public relations department so that Canadians generally would be informed of the work carried out by this organization under the sponsorship of the parliament of Canada. The students in universities, and even in the high schools, could be kept informed so that they would have some idea of what is being done in this field, especially as it related to the development of our economy. I believe that in so far as the high schools are concerned, it could be related to the local circumstances of the community in which the high school is situated.

I find particularly that certain sections of smaller industries are very ill-informed as to the value of the work of the national research council and these other organizations as it relates to developments in their own industries. I suggest, therefore, that the council would be well advised to have a public relations department to improve its public relations, to disseminate more information as to its activities generally. The scientific reports that are made are excellent for the people who use them, but I am thinking of publicity that would just inform the public of Canada generally as to the work of the council and these other organizations. Some of this information could be provided by means of pamphlets. I think, too, the council could secure the co-operation of the press and some national magazines if there were some procedure worked out whereby these reports would be given under a certain heading in these publications, a heading such as, "What Research Is Doing for You". I am thinking of something in the popular style used by the magazine *Popular Mechanics*. I have seen excellent work done by organizations of this sort, which are largely unheard from so far as the Canadian public is concerned and whose achievements are unsung and untold in many quarters.

Before concluding I suggest that is one thing that should be done in order to get a wider recognition of the value and scope of the work that is being undertaken—I refer to its value not only to our times but to the young generations that are growing up—in the development and the improvement of our country.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I rise to support this motion to set up this special committee to examine into the operations of the national research council and Atomic Energy of Canada Limited. Hon. members will perhaps appreciate the fact that these days I do not always rise to support something brought forward by the government. As a matter of fact, I have occasion to differ sharply with them on most of the things they bring forward. However, today I wish to commend the minister for bringing forward at a relatively early stage of the session this motion to set up this committee.

I regard the motion as merely a continuation of the authority granted last year to a committee to examine into this subject, and I believe that is the way in which the minister intended it to be taken. The committee was set up last year with the same terms of reference but regrettably it was rather late in the session when it was set up and there was not an opportunity for it to do the work it had hoped to do. It was obliged to forgo almost completely the opportunity of examining into atomic energy matters.

The history of these committees is rather interesting to me. In 1949 for the first time a committee was created to examine into the operations of the atomic energy control board. It will be recalled that at that time there was a great deal of reason for security in the committee's examination. However, there was no practical difficulty in the workings of the committee. Indeed, on that occasion I think the house looked on this as a non-partisan matter. It is interesting to note, as I had recalled to my memory only a few moments ago when I turned up that reference in the library, the first speaker on the opposition side on that occasion made it quite clear that he was supporting the motion and gave his reasons. That spirit has been continued throughout these committees and I hope my remarks today will be in keeping with that spirit.

Then in 1950, the next year, a committee was created to examine into the operations of the national research council. Then in 1953 a special committee was appointed to examine into the operations of both. Then in 1956 a similar committee was appointed. I am sorry to say that I may have mislead the house. The committee in 1953 examined into the operations of the government in the field of atomic energy. The course of proceeding up to that time had been to refer to the committee one subject or another, namely the national research council or the atomic energy subject. Then in 1956 a special committee was set up to examine into the role of the government in the field of non-military research and specific reference was made to both the atomic energy field and the national research council. The reference last year followed that practice of combining both subjects as does the one this year. I do not know that it matters a great deal which method is used. A great deal of work

is indicated. It is not too important which method is used but a great deal of work is required in order to cover both subjects in one session.

The committee members were kind enough in the first four committees I have mentioned to appoint me chairman. I think I can say that in my experience as a member of the House of Commons I have not sat on any committee in which closer co-operation was granted to the chairman by the members of the committee than was granted in those four committees.

I hope the chairman of the committee last year could say the same thing if he were here today. Certainly for my part, as a member of the committee I felt that the chairman conducted the proceedings of the committee in a way that was wholly agreeable to all hon. members sitting on that committee. Every opportunity was given to the members of the committee to examine into the subject matter as thoroughly as they wished. The feeling of fairness and the spirit of co-operation among committee members were most satisfactory. Within the limited time at its disposal the committee was able to accomplish a good deal of work. However, regrettably, the time was much too limited having regard to the scope of the subject matter referred to it.

The committee last year dealt a great deal with the national research council. Before leaving that aspect of the subject I want to place on record what I regard as an extremely significant fact, namely the high calibre of persons who have been chosen under succeeding governments to head the national research council from its inception. This is a fortunate thing for this whole enterprise. I think the high achievement they have been able to record has been due in large measure to that fact.

There is another subject that is very much in my mind, namely the relation of the national research council to industry. I feel that the work of the national research council must be kept well balanced as between research in pure science and research in applied science. I believe the balance between those two matters must be maintained. I hope that at no time will the research council be forced into a position in which an abnormally large percentage of its work will be directed to the field of applied science. I believe that is a field that must be occupied partially by them but largely occupied by industry and outside agencies.

In that connection may I say this. I hold the view that the government must reexamine the matter of corporation taxes or taxes applied to industries in this country in order to ascertain whether we should go further in making tax adjustments for research. In my view we must make appropriate tax adjustments for the work of industry in the scientific and research field.

Mr. Speaker: Is the hon. member about to conclude his remarks?

Mr. McIlraith: I hope to conclude my remarks in about one minute, Mr. Speaker.

Mr. Churchill: We might go on for two or three minutes.

Mr. Speaker: If it is only a matter of a minute or two more, perhaps the house will agree.

Mr. McIlraith: Thank you, Mr. Speaker. That is a subject that probably can be discussed more appropriately when we are dealing with the budget and the estimates rather than on the motion to set up the committee.

Then there is to be considered the field of atomic energy. We are at a critical stage of its development. I look forward with eagerness to examining into the exact state of the development in relation to the production of power—I refer to the use of nuclear energy for the production of power—and its relationship to industry. If we can develop an additional economically feasible source of power in this country at this time it will do much to strengthen our whole economy over the years ahead. I am looking forward to that opportunity of examining the subject. It may well be that we are at the stage at which we may be obliged again to adjust some of our taxation policies in order to take cognizance of the new developments in that field and of the rapidity with which they have come about.

Without further remarks, Mr. Speaker, I want to express my approval of this motion to set up the committee.

Mr. Speaker: Is the house ready for the question?

Mr. Pickersgill: No, Mr. Speaker; it is six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): I rise to support the resolution. I doubt whether the value of research as such to the progress associated with modern living is appreciated, at least consciously, to the extent that it should be or to the extent that it merits. Therefore I should like to begin by paying a tribute to those who spend their lives

in studious research in connection with the gathering of knowledge and whose unspectacular work has made possible the spectacular progress associated with this age.

In most phases of human endeavour the hallmark of the twentieth century has been progress and this is true particularly in the scientific field, in transportation, in medicine, in the production of food and in many other directions. It is to the production of food that I should particularly like to refer and I wish to deal with one foodstuff especially, that is, fish.

My interest is, of course, obvious. In the riding which I have the honour to represent many of the people are fishermen, and the waters off the coast of Labrador and northern Newfoundland are very rich in fish. The question naturally arises: are these resources being utilized to the best possible extent, and is modern technology being applied to the production and processing of fish? I should like to point out that the fisheries of the Atlantic provinces are important not only to the Atlantic provinces themselves but to the whole of Canada. I should like to raise the question whether these fisheries can be augmented so that the whole of the Canadian economy might be strengthened.

Closely allied with this object is the question of research. Lest I should give the impression that research has been neglected, I hasten to say that such is not the case. Over the years much work has been done with regard to fisheries research. A lot of time and money has been expended, and able men have made and are making a study of fish their life's work. It goes without saying that for these dedicated scientists and technicians all of us have a great deal of respect and a great deal of appreciation. We appreciate what they are doing and what they are trying to do. I should like to point out the need for an extension and an enlargement of the research work being done in this field. My personal opinion is that the job these men are trying to do is made more difficult by the lack of the necessary funds and the necessary help.

A great deal of information has been gained already, but the field is wide and the possibilities are many. More and more knowledge is needed on which to base an expansion of the industry, and the search for knowledge is one which must go on continuously and unrelentingly. I might mention a few of the subjects about which more information is required. There is, for instance, the movement and behaviour of herrings; the need for knowledge to enable us to predict where they can be found. Then again, why does the cod, the basic bread and butter fish of the Atlantic waters, sometimes disappear from the areas where it is usually found? This happens periodically, and it happened last year. Codfish practically disappeared from whole sections of the coast. There must be a reason for this, and there must be some way of predicting in advance whether or not such a phenomenon is likely to occur, I might add, when it does occur it means well nigh tragedy to the people involved. This year there is a lot of arctic ice off the coast and it has been suggested that in consequence the fishing will be good. Is there, in fact, a relationship? This is something which might be looked into.

The means of increasing production are important. Obviously it would be ideal if the catch per man could be increased and if at the same time the value of the catch could be increased. I shall not, of course, discuss the economic side of the question but I should like to point out the need for research into the whole fishing question.

There is one matter which I raised before in this house, the great need for artificial bait. Every year many thousand quintals of fish are left uncaught because fishing communities are short of bait. I believe that this factor alone would warrant intensive research into the development of artificial bait which could supplement the bait that is usually used.

There is the matter of improvements in cold storage facilities with a view to making better, cheaper and lighter units. There is also the falling off of the salmon fishery and the need for research into the reasons why this has occurred and the possibilities of improving and increasing the number of streams where salmon may breed.

In addition there is the matter of research into the mechanics of fishing and the processing of fish. Important steps have already been taken in this field. I think of mechanical aids for the splitting, filleting and drying of fish but too large a segment of the industry still depends on primitive methods which are really out of place in our modern day economy and in the highly competitive fields in which both the fishermen and the trade have to operate.

These problems are not new and have already been given considerable attention but I should like at this time to emphasize the need for giving these matters even more attention and I urge that these problems be treated with greater urgency.

The need for developing the north has already been mentioned by several hon. members as has the subject of the possibilities which long range power transmission open up for the north. If the resources of the 6 million or more horsepower on the Hamilton river were made available a large part of Canada and perhaps areas outside would benefit greatly.

In a nation such as ours with an expanding population, holding our own is not enough. Holding our own is merely inviting disaster. It is almost a matter of life and death for us to keep ahead technologically of the rest of the competition. We must advance ahead of the times. The only way to do this is to devote more time and money to patient and dedicated efforts in the field of research.

Mr. J. J. Martel (Chapleau): Mr. Speaker, before this motion is carried I should like to make a few brief remarks on the question of forming a committee to look into the operation, expenditures and policies of the national research council, Atomic Energy of Canada Limited and Eldorado Mining and Refining Limited. In making these remarks I want only to emphasize the growing need we have for increased research in this atomic age. I should like to mention a few fields where more research might result in the development of certain new industries in our country in general and in my own district in particular.

I know of the wonderful job that has been done in recent years by the national research council as was pointed out by previous speakers this afternoon and evening. I know, too, the council has a significant contribution to make in the years ahead. By way of example I should like to mention the fact that research into the peaceful purposes of uranium could be very important for our country and the future of our uranium industry.

Not long ago, if my memory serves me right, we were informed in this house about the important development that had taken place in respect of alloys developed for steel which would require the use of uranium or radioactive material. This is one example which indicates the importance of research in a new field. We are in a new atomic age and I think it is worth while that the government assumes the responsibility through the work of the national research council of developing means of assistance for our new metal industries such as uranium.

There are also other metals that have been found in abundant quantity in Canada in recent years in respect of which research could play a very important role in terms of the future development of these deposits. We know, for instance, that in Canada we have on the north shores of the St. Lawrence the world's largest deposits of ilmenite which contains titanium and which is in increasing demand for the construction of jet motors and other things. We also have large deposits of columbium and tantalum. One is near North Bay and the other of which I am thinking is near Montreal at Oka. Columbium and tantalum have been known for many years but their use is relatively new and it will increase in years to come. Research will play a vital role in determining increased uses for these metals.

I now want to briefly mention a new metal about which we have heard with increasing frequency in recent times. One is always tempted to say a "new" metal, but of course these metals have been known for many years and have come into use only recently. I refer to lithium. Large deposits have been found in northern Manitoba, northern Ontario, and particularly in my district in northern Quebec where it is believed the largest known lithium deposit has been located. As a matter of fact this resulted a few years ago in the building of the first lithium mine by Quebec Lithium Corporation.

To illustrate the importance of research in that particular case, let me say that the mine was hoping to start production and had a contract with an important United States firm but they were not too sure what process they should use. Up to that time the process used was what we call a dry process method which had been used in the United States. Apparently that was the one that was most advantageous. Quebec Lithium Corporation, however, decided to look into the problem, had its metallurgists study the situation and through the co-operation of the Quebec department of mines laboratories succeeded in developing a new process. They used a commonly known method which was not previously believed suitable for the extraction of lithium ore. They used a wet process well known throughout the mining industry but adapted it in this case after careful research to enable the flotation of the spodumene crystals in order to make a concentrate of lithium that could be sent to those industries which require this metal. We hope the demand will increase in years to come.

I might say the company is controlled by two mines, East Sullivan and Sullivan Mines, which in turn are headed by a well-known French Canadian. I might say this is almost an exception. He is one of the few French Canadians who have succeeded in the mining industry and built up a mining empire of that kind. I am referring to Mr. Pierre Beauchemin. I pay tribute to him. It might be thought that this gentleman had done enough. Instead of retiring he kept right on and now the company in question has built a refinery which is the first lithium refinery not only in the province of Quebec but in Canada. This group is very aggressive in trying to find new methods and new

processes for the extraction of lithium metal, a relatively new metal so far as use is concerned.

I feel the national research council would do well if it could enlarge the use of lithium in the years to come by intensive research. The research program could also be extended into other metals such as molybdenite. Research programs should be intensified to find new uses for the metal. This research program should be conducted into the use of all of our base metals, and it should be intensified in co-operation with private companies and industrialists. If new uses were found for these base metals it would increase their sale, since they are produced in large quantities in our country.

This afternoon the hon. member for Kootenay West (Mr. Herridge) suggested that the national research council would do well to have public relations men to publicize their work to the industries and to the public in general. I think it is a wonderful idea. I think the suggestion should be adopted, but I would go even further. I suggest that the public relations men of the national research council should intensify their co-operation with industry and thereby bring about new processes for the use of different materials in the country. This would be beneficial to industry and to the people of the country.

I wish to read a few headlines which appeared in the *Wall Street Journal* in reference to different new problems which have arisen in recent years as a result of the development of the atomic age. One headline reads:

Hydrogen age sets challenge for chemicals.

Another one is as follows:

Nuclear energy developments to spur new prospects for chemical energy.

A third reads:

Revolution in textile manufacture.

Further down the page we have another headline which has to do with an important industry in our country. It reads as follows:

Pulp and paper industry shows marked growth.

I recall that I was a member of the committee on mines, forests and waters in 1959. This matter came up when we made a careful study of our forest resources. At that time we had witnesses from different companies who mentioned that their companies were doing much research in developing new uses for different products and finding new markets for them. I should like to emphasize the fact that more co-operation should take place between the national research council on the one hand and companies across Canada on the other which are doing their own research. Industrialists should be encouraged to do research in different ways, either through collaboration directly with the national research council or in other ways. In that way research programs could be stimulated all across Canada.

Before I resume my seat I should like to emphasize the fact that lithium ores are found abundantly in northern Quebec. As I mentioned before, the deposits there are believed to be the largest in the world. There are also large deposits in northern Ontario and in northern Manitoba. I believe that this metal will become the fuel of the future for jet planes. Experiments are being carried out to that end. I hold in my hand a research magazine which has a very detailed article in that regard. I will not read it because it would take too long. Borax and lithium mixed together have been used, and in time they will revolutionize the fuel used in the airplanes of the future.

(Translation):

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wish to commend the hon. member for Chapleau (Mr. Martel) for his speech delivered in tip-top English, following an excellent example set in this house.

Some hon. Members: Hear, hear.

(Text):

Mr. D. M. Fisher (Port Arthur): Research is such an O.K. word right now that to come along with any strictures and warnings is sort of like being a pagan among the vestal virgins, but I have the feeling that we have rather gone overboard for the magic of the word "research" in the last couple of years. I was at a parliamentary committee a couple of years ago that went very strongly for research. Now we have the new Department of Forestry, Mr. Speaker, that is primarily to be concerned with research, and wherever I go in the forestry circles and talk to woods managers and people in the business I find that they are a little bit frightened of the word "research". They do not mind basic research in their fields, but they are very much interested in what research has been done since the war which has some kind of practical pay-off.

I realize there is a split between applied research and basic research, and it seems to me the national research council in particular does a magnificent job in basic research. I often wonder whether the success they have is in that particular field which spills over to a degree into the applied research that they have, for example, in the field of snow and ice mechanics and whether there may not be a lesson there for the other departments of government such as forestry, mines and technical surveys that they might profit from.

It seems to me the basic reason why the national research council is probably more effective in research than the ordinary government department is that the scientists there are not civil servants; they do not have the strait-jacket of the civil service arrangement. It may be that the national research council is extremely good because there is a flexibility and an income and outgo of all scientists from all over the world on a continuing, regular basis in their establishment, and so they have a plastic, wide open kind of organization where there is a considerable amount of discussion and cross fertilization with other parts of the world.

My own impression of the forestry research, for example, that is going on in this country under the federal department is that to quite an extent it is divorced from the over-all research that is taking place in the world of forestry. I think the committee might very well consider looking at the research programs of some of the government departments with an eye to seeing if the national research council could not be an example to them.

The last point I want to make relates to a story that was told me by a scientist in Ottawa. He said, "You know, over the years members of parliament become curious about research programs and critical of the money being spent on research." He said, "You can always stop them quickly; all you have to do is to get a bunch of members of parliament into a party and take them off to Chalk River or some other place with big laboratory facilities, let them be impressed with a bunch of dials, gadgets and counters that they do not understand, let them meet a few men in white smocks and they all come away saying it is a marvelous place, these scientists are wonderful people who are doing a great job, and in the end their curiosity dies down." The point of the story is that apparently this is a way that scientists can take baying parliamentarians off the track. I think there is a great deal to this.

Mr. Churchill: That is hardly fair to the scientists. Perhaps the hon. member is speaking in a jocular vein but I wonder whether that is quite fair to the scientists who are charged with responsibility for our national research.

Mr. Fisher: I do not know whether it is quite fair to the scientists but I think it is certainly fair to the members of parliament. This is the point I should like to make about the committee and its work and I may say I discussed it with the chairman of the committee last year and he felt very strongly about it. It is almost impossible for a member of parliament to make a real contribution to the work of this committee unless he is prepared to spend a great deal of time studying the whole research field, not so much from the point of view of becoming an expert in any sense in one field but in order to understand the problems of research as a whole. I would commend to all members of this committee the kind of study, shall I say, that the hon. member for Essex East (Mr. Martin) has given to agriculture and soybeans in his specialization—

Mr. Martin (Essex East): I cannot do everything.

Mr. Fisher: —although I might be thought flippant if I brought him into this field.

Mr. Martin (Essex East): My time is limited.

Mr. Fisher: I might suggest the wonderful study that the hon. member for York-Scarborough (Mr. McGee) has made in the development of efficient commuter trains to serve certain sections around Toronto. The point is that the members of the committee can only do a good job in examining the research establishment of the government if they spend a considerable time in study, perhaps an inordinate amount compared with that required for other committees. I know that one reason I never tried to be made a member of a committee was that I considered it was a little bit too much work.

Motion agreed to.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Citizenship—

49. Citizenship branch, $808,322.

Mr. Pickersgill: Mr. Chairman, the hon. lady will no doubt recall that last year I expressed some misgivings about some of the expenditures under this item and even went the length of suggesting that consideration should be given to the consolidation of this branch and the citizenship registration branch. The hon. lady will also remember that I had something to say about some of the publications of the Canadian citizenship branch and in particular the magazine *Citizen* which is still being published.

I have not looked up the record and I may be wrong but if I remember rightly the hon. lady said there was a considerable demand for this magazine and I asked if there was an effective demand in the economic sense, in other words, whether enough people in the country were willing to buy this magazine at a price which would pay for the cost of producing it. I have looked through the most recent number and while I certainly do not

take exception to anything in it I would think that if we are going to spend money on publications at all there are other publications in this country on which it might be spent, even perhaps by giving financial assistance to magazines of more general interest, which would perhaps do more to promote real Canadian citizenship than the maintenance of "kept" journals of this description.

I know it is very easy to ask me what I did about this when I was minister and I admit that the answer to that question is a very short one, that I expressed misgivings and did very little else. I felt at that time, when we were having immigration on such a very large scale, that I should give my primary attention, which I did, to the immigration branch and also to the Indian affairs branch. But I did feel that a good deal too much of the money of this branch and of the time of the members of the branch were taken up with activities which, however praiseworthy they might be, would in my book not rate very high on the list of priorities for the expenditure of public money.

As a result of the establishment of citizenship courts in those areas of the country where the largest concentrations of recent immigrants exist, it does seem to me there is even greater reason for considreing carefully and, indeed, taking action on the suggestion I made last year that these two branches should be consolidated. I do think there is a place for liaison officers who would perhaps be a little like the pensions advocates on the board of pension commissioners and who would help immigrants with their difficulties before the court, in preparing for the court and other matters of that sort. However, I think this whole activity ought to be tied much more closely than it is to the actual potential citizens and not be so diffuse and general as it is.

I admit that in the light of all the estimates the amount involved is not very great but that can be said, of course, of a great many other expenditures. My own feeling is that when all is said and done an expenditure of $800,000 is still quite a lot of money and that perhaps some of that could be saved. I am not suggesting that the officials should be dispensed with or anything of that sort. I think there are other useful things that have to be and could be done.

However, this is probably one of those areas which will be examined by the Glassco commission when it gets around to it. Perhaps as a former minister, having expressed these rather vague misgivings, I would be well advised not to go any farther at this time. I want to make it very clear that I am not reflecting in any way on the members of the staff. I am not reflecting on anyone. I am just questioning in my own mind whether, in view of the many demands on the taxpayers' dollar, some of the things that are done in this branch are really high enough in priority to warrant the expenditure.

There is one other thing I should like to mention. So far as the language classes are concerned, they warrant spending everything on them that can be spent profitably from the point of view of reducing the period in which newcomers to Canada suffer from the disability of not being able to speak one or the other of the official languages. In this connection, when the hon. lady replies later, I would be interested to know whether she has now been able to establish any better relations with the authorities in the province of Quebec or whether she has made any attempt to establish any better relations with the authorities in the province of Quebec, with a view to having closer co-operation in the language classes than it was possible to get at an earlier time. I know nothing about this. It is just a query. I have felt for a long time that more would be desirable there if it could be accomplished. There is no question whatever that the department, wherever it could avail itself of the ordinary adult education facilities that exist in a province, has always sought to do so and I would hope would continue to do so.

There is one other question of this character that I should like also to put to the hon. lady. There were several experiments conducted in the teaching of languages. I think we would all be interested to know what success there had been with some of the research in which the department was interested a year or two ago. I may have asked that question last year. I think I did. If I did, and there is nothing new to be said about it I do not want to take up the time of the committee.

There is one other thing that I should like to say before I sit down. I think we all realize that one of the most important elements in the satisfactory integration of newcomers into our society is that there should be a sympathetic attitude toward these newcomers on the part of the rest of us who are here. This is one of the things this branch of the department has sought to promote through voluntary organizations of all kinds. I would not suggest for a moment that I would like to see that kind of activity discouraged; far from it. However, I have some doubts, myself, about whether the attempts that have been made—some of them of course have been exceedingly well meaning—to use the facilities of the branch for the purpose of promoting closer relationships between the two groups of older Canadians are really perhaps as badly needed as some

of these other activities are. I think that is something that is really looking after itself rather well at the moment.

I said a moment ago, and I want to repeat, that a sympathetic, reasonable and honest attitude and a respect for the facts is very important if we are to have a proper integration of the newcomers, a proper understanding of the relationship between recent immigrants to this country and those who have been longer in the country. I cannot help but think that one of the best ways to promote that would be to have a really intimate relationship between the courts and the liaison officers of this branch, to the point where they really are a single organization.

Mr. McGee: Mr. Chairman, before embarking on a sort of hatchet job on what the hon. member for Bonavista-Twillingate had to say earlier, I should like to concur in everything he had to say about the importance of a sympathetic, reasonable and honest attitude, as he described it, on the part of those of us who are already here toward those who have come here recently and will come in the future. I think perhaps this attitude is very appropriate at this particular time of the year since brotherhood week is almost upon us. Speakers right across this country will be reminding the participants in these brotherhood week activities and those who attend the brotherhood banquets of the absolutely vital necessity of emphasizing this particular aspect.

I have not had as much opportunity as I would like to have had to examine some of the documents that are put in the hands of new Canadians, such as the one to which the hon. member referred. Certainly I would be unhappy if some of the prouder aspects of our history in this realm were not mentioned there. I am thinking particularly of a reference to Ezekiel Hart and the well known story of that early example of tolerance and understanding on the part of the French Canadian citizens of Three Rivers. If this story and others like it are not contained in these pamphlets outlining and underlining our proud and successful history in this regard, I would be very much disappointed.

I should like to return now to the remarks made by the hon. member for Bonavista-Twillingate. Before I came to the House of Commons I heard a lot about the hon. member for Bonavista-Twillingate and some of the difficulties he had encountered. Of course, I read and heard a great deal about the various activities of the cabinet of that day. The impression I gained, and apparently it was shared by a large number of Canadians in 1957, was of fumbling and bumbling and perhaps not coming to grips with some of the issues that had to be met.

I should like to describe in his own words, as he described to us a few minutes ago but from a slightly different approach, his attitude to the department. He said he had misgivings; he had his doubts about this particular branch. What did he do? Apparently he did not do anything except indulge in these misgivings and doubts. He went on to say that we must not dismiss anybody. We should not misunderstand; let us not spend any less money. He was not criticizing anyone in particular in the department. He went on to point out that $800,000 is a lot of money, an important amount of money. Having said all that, giving his background and offering this great experience he had in the department to the present minister, the Glassco commission or anybody else who was interested, he then embarked upon the advocacy of another measure which involved the expenditure of additional money.

Mr. Pickersgill: Oh, no.

Mr. McGee: The hon. member says, no. I would remind him that just a short time ago he was advocating the expenditure of an extra sum of money on language classes. The hon. member shakes his head. I think *Hansard* will bear out the validity of what I have said.

Mr. Pickersgill: Spend existing money on it.

Mr. McGee: I have gained a greater understanding of some of the reasons why the hon. member used to encounter some difficulties when he was a minister. This was his typical obvious pattern of doing nothing, having doubts, not criticizing anybody, not firing anybody and ending up by advocating additional expenditures. It is no wonder that he encountered difficulties.

Mr. Pickersgill: I should like to correct the hon. gentleman. I think he has made a good point. However, I did not in fact, suggest spending any more money. I suggested that some of the money now being spent would be better spent on lanugage courses.

The Deputy Chairman: Shall vote 49 carry?

Mr. Pickersgill: No, Mr. Chairman. I think the hon. lady wishes to speak.

Mrs. Fairclough: I think I might give out a little information on the basis of the questions asked and the comments made by the hon. member for Bonavista-Twillingate. In so far as the organization of the department is concerned, of course that is one of the matters that is under active consideration at the

present time in line with the investigation being made by the Glassco commission. With regard to his comment on the language classes I might tell him that about 50 per cent of our expenditures go to the language classes and we think we are making progress. I cannot tell him what the result is of the research that went into the matter of teaching and texts. We received copies of the new textbooks from the authors only last fall. This is the first year in which they are being used. We shall have to assess their value at the end of this year.

With respect to teaching French in Quebec may I say this. My hon. friend will recall that the other night I said we expect to open the first of such courses in Montreal in the latter part of February and, depending upon the success we encounter there, we hope to proceed to open other classes.

Mr. Pickersgill: Are these classes given by the department or by provincial or local authorities?

Mrs. Fairclough: They are sponsored classes. I think I have covered most of the questions which were asked except with regard to the publication of *Citizen*. I might say that this year for the first time we have a sizable subscription list. About 25 per cent of the copies issued are now being subscribed for at an appropriate fee. We hope the subscription list will increase to the point that it will possibly pay for itself eventually.

Mr. Pickersgill: I do not want to take up any time if someone else wants to speak first, Mr. Chairman. However, there is one rather less pleasant matter about which I want to say a word merely for the record. It is not in criticism of the hon. lady or of the department.

I said earlier that I felt that the business of integrating newcomers in Canada depended to a great extent on a proper understanding and a proper appreciation of the facts of the situation. I am going to draw to the attention of the committee a statement made by a minister of the crown as reported in the Niagara Falls *Review* of October 27, 1960. I do not think it contributes much to this kind of understanding, concord and harmony that I would have hoped every member of parliament would wish to have in this field. I refer to a report in that newspaper of a speech made by the hon. member for Bellechasse—and I regret very much that he is once more not in the house—the Secretary of State, in another by-election in which he was as successful as he was in the one in Labelle. This quotation from the Niagara Falls *Review* for October 27, 1960 is in quotation marks.

[Mrs. Fairclough.]

I intend to read just the quotation itself and then to make one or two observations on its content.

I have before me—

This in quotation marks.

> —figures from the *Post* of November 9th, 1956, which show that under the Liberal government of that era Canada had a total of 292,000 unemployed despite a lot of surplus money. That same year machinery was set up that Canada was the victim of mass immigration with 280,000 immigrants reaching these shores in 1957.

Then the report continues in quotation marks.

> "We inherited a Liberal policy in this regard and the Progressive Conservative government has been taking steps to correct it ever since. For their mass immigration policy," continued the Secretary of State, "we have instituted a selective immigration program which drastically reduced the number of immigrants to less than half that figure in 1958. That year only 124,581 immigrants were allowed into this country and that was chopped by 20,000 in 1959. Under this selective policy only those immigrants who can be absorbed into our economic set-up are allowed."

There are one or two comments I want to make about those statements which were made by the Secretary of State and which appear in quotation marks in this report. In the first place, I assume that by the *Post* the hon. gentleman meant the *Financial Post*. I do not know of any other newspaper called the *Post* that would be apt to have these figures. I therefore went to the library this afternoon and I looked up or tried to look up the *Financial Post* for November 9, 1956. I find there is no such thing. The *Financial Post* in 1956 appeared not on November 9, but on November 10. However, thinking this might be just a mistake in the day, I looked at the microfilm of every page of that newspaper and nowhere could I find any reference whatsoever to unemployment.

I then looked up the official figures of unemployment put out by the dominion bureau of statistics for the month of November, 1956. I have them here in my hand at the moment. The D.B.S. figure from the labor force survey for persons without jobs and seeking work on November 12, 1956, was 135,000. That is a long way from 292,000. However, a year later, on November 16, 1957, five months after the government opposite came into office, I find that the figure was 292,000. At the time about which the hon. member was speaking, namely the autumn of 1956, at the time the decision was made to admit the Hungarian refugees to Canada, there were 135,000 persons without jobs and seeking work according to the D.B.S. figures. As everyone recognizes, for the month of November that figure is just about the equivalent of full employment. It seems to me that this fact ought not to be misrepresented

by a minister of the crown. Moreover, a minister of the crown describes the admission to this country of Hungarian refugees in these terms:

> That same year machinery was set up that Canada was the victim of mass immigration with 280,000 immigrants reaching these shores in 1957.

I am sure that the hon. lady would not like to be associated with that kind of description of the policy of admitting Hungarian refugees which the present government, as I have always been happy to give them credit for doing, carried right on after they came into office as long as the need was there. I give them full credit for that action. However, it seems to me that it is not right for any member of this government, even though he was not in the government or was not associated with it at that time, to say that Canada was the victim of this mass immigration, when one thinks of the plight of these people and when one thinks of what they were trying to do that caused them to be in that plight, that these people were fighting to free themselves from a communist regime. Yet the Secretary of State chooses to describe them in that fashion.

I think that is entirely unworthy of any member of this house and particularly of a minister of the crown in the government of a Prime Minister who in 1957, in this same area, in St. Catharines I think it was only a few miles from Niagara Falls, said he would triple the immigration the Liberals had developed at that time. I am also struck by this extraordinary sentence: "Under this selective policy—" that was chopped down, to use the unattractive verb employed by the Secretary of State. I quote again:

> Under this selective policy only those who can be absorbed into our economic set-up are allowed to enter.

Mr. Ricard: Would the hon. member permit a question?

Mr. Pickersgill: When I have finished.

Mr. Ricard: Was that speech made in French or in English?

Mr. Pickersgill: I point out that when the Hungarian immigration started there were 135,000 people without jobs and seeking work, and when the hon. gentleman was talking last October about only those immigrants being admitted who could be absorbed half a million Canadians were out of work. How he reconciles that sort of thing with this kind of statement is something I would prefer to leave with hon. ladies and gentlemen on the other side of the house.

Mrs. Fairclough: I have no comment to make on the charges which have been levelled against one of my colleagues by the hon. gentleman who represents Bonavista-Twillingate, because I have never seen the alleged statement in print nor have I had the opportunity to assess its significance, but when it comes to the question of the Hungarian influx, if it might be called that, may I say that I was in this house at the time and I recall the situation quite well. I am sure that in all fairness the hon. member will be glad to admit that there was not one dissenting voice from any side of the house concerning the proposal that this scheme be put into effect.

Mr. Pickersgill: I quite agree with the hon. lady and I thought I made that clear in my remarks, but if I did not make it abundantly clear then I want to make it clear now. There was the most complete support from the official opposition and, indeed, I think from everywhere else in the house. I recall no opposition in the house to that policy and I was always proud of the fact that it seemed to me all Canadians had responded in a wonderful way to a challenge which I regarded as a challenge to the whole free world.

Item agreed to.

50. Grants to organizations as detailed in the estimates, $40,000.

Mr. Herridge: I see this vote comprises a grant of $15,000 to the Canadian general council of the boy scouts association, $15,000 to the Canadian council of the girl guides association and $10,000 to the boy's clubs of Canada.

While these are really only token grants toward these organizations, we are, at least, very pleased to see them continue. I think the work which these organizations are doing at the present time is, if possible, more important than ever. I intended to have some further remarks to say but I will simply suggest that consideration be given to increasing these grants if at all possible. I know it is easy enough to get up in the committee and suggest that grants be increased, and I know the difficult situation which exists today, but I do think that these are three organizations which we should do everything we properly can to assist, particularly in view of the challenge they are meeting today in providing these services to the boys and girls of Canada.

Item agreed to.

47. Departmental administration, $1,001,840.

Mr. Fisher: I was not here, and perhaps I should have been, in order to raise a couple of questions relating to immigration. I do not know whether the minister has answered these. I am not going to give any general talk on immigration or make any general

contribution to the debate, but I should like to ask the hon. lady some questions regarding immigration from Italy and some details of the backlog of applications that are now in hand. That is the first question. The second one is how the department is adjusting to this increasing backlog in order to take care of it administratively and, third, whether the minister can give us any indication how long the backlog is likely to exist at the present rate at which people are coming to this country.

Mrs. Fairclough: The backlog as of the end of 1960 was 63,341 all of whom, with the exception of 23, were sponsored cases. It stands to reason that so many applicants present a somewhat terrifying administrative problem. This has piled up over the years. When persons come here they bring their relatives. We are making every effort to bring wives and husbands or dependent children—to try to give them priority—but the problem still exists. However, with respect to some of these cases which have been on the books for a couple of years we feel that possibly the original sponsors may not be quite so eager to have them come out, so in order to ascertain the true state of the situation these cases are all being investigated to ascertain if the original sponsor is still in a position to receive his relatives.

Mr. Fisher: I thank the minister for that last information. I was going to suggest that as she was probably aware members are constantly being approached with the suggestion that they check into what has happened in connection with various applications. I was in the office of one Canadian of Italian background a few weeks ago and he had a file there of several hundred cases of people who had applied and had received their initial letter of response and nothing had so far developed. In many cases the time lag had extended over the two year period. I not only think it is worth while from the department's point of view to remove the applications that may now be invalid because the parties are no longer anxious for them to come here, but I also think the department might consider some kind of reply to people who are waiting and still anxious to bring the people over.

I do not know whether the minister can make a reply now to that suggestion, but why should people have to wait 18 months to two years without any indication as to why, perhaps, the medical examination has not taken place or why people have not been called to the offices in Rome?

Mrs. Fairclough: I think their relatives over there can give them the required information in correspondence. I might point out to the hon. member that if we have to write 63,000 letters twice a year it is going to bog down the position even further. Whenever an application is made for up-to-date information on the state of any case we find out immediately and answer as quickly as possible.

Mr. Fisher: Is there not, I will not say unfairness, but is there not something not quite right about accepting so many applications? You give these people the right—is it not a right or a privilege under our immigration set-up—to bring their relatives in. They take this as an important part of their prerogative of living in Canada. They know of the delays and hear of the backlog building up and there seems to be no end. It is three years since I became cognizant of the backlog and its increase.

I will admit that immigration has tended to tighten up in the last 18 months but that was not so several years ago. If the government for some reason is following a policy designed to use an administrative holdup to keep immigrants from Italy entering Canada, I am wondering if it is not time to be perfectly honest and frank with the Italian community in Canada and the Italians in the old country.

I am not trying to stir up a hornet's nest. I know the minister encountered some difficulties some time ago over new regulations she introduced that would have affected immigration from Italy but it seems to me in the long run the new regulations she had to withdraw would have been more fair than the present system of dragging out the matter. I will be interested in her comments on that.

Mrs. Fairclough: Mr. Chairman, the action that has been taken has been taken and I do not intend to comment on it but to answer my hon. friend's other remarks, I do not think you can call it a slow-down when nearly 21,000 came in last year.

Mr. Fisher: To put it more directly, is there any prospect which the minister can foresee of the backlog being reduced within the next two years which we will say is the life of her administration in one sense?

Mrs. Fairclough: As I told my hon. friend a few moments ago, we are investigating the sponsorship of all these cases. There may be some of them who are no longer interested in bringing forward their relatives.

Mr. Fisher: I have one other question referring to a specific case concerning which I do not wish to generalize. I refer to people from Portugal who entered the country illegally and voluntarily turned themselves in.

They had purchased improper visas and after turning themselves in and appearing before the appeal board were deported. Even though I took an interest in the appeal I have no quarrel with the decision of the minister to have these people deported but I wonder if the minister can say if this permanently kills the possibility of those people having another chance to come to Canada?

Just to elaborate, it is my experience that these people lived in a state of anxiety and because of the particular milieu in which they have grown up they tended to take for granted as part of their way of doing things that they would pay so much money to someone and in return get a visa. It turned out that the visa was illegal and in a sense they were trapped and betrayed by their own ignorance. I know that ignorance is no excuse before the law and they were properly deported but is there any opportunity for those people to make legitimate applications to come to Canada and is there any likelihood of their applications being fairly considered?

Mrs. Fairclough: Mr. Chairman, I cannot give a general answer to that question. I would have to know what the case was and determine just how serious were the charges. In some cases the deportation is not held against a person in the event of his subsequent reapplication to enter the country legally. However, I could not make a general statement without knowing the particulars of the case.

Mr. Winch: Can the minister say if there have been any changes in the regulations governing the coming into Canada on a temporary basis of musicians and other entertainers? If there have not been can the minister briefly tell us what is the situation?

My reason for raising this matter is because a few weeks ago a furore was created in Vancouver when one of the newspapers published a report to the effect that the minister's department was taking what was described as a dead aim at imported entertainers. The report said if there were not some new regulations there was going to be a stringent enforcement of existing regulations concerning the length of time entertainers could stay in Canada. The suggestion was made that they could stay here a maximum of four weeks and would have to leave the country for four weeks before they apply to enter again.

According to the report, musicians would have to put up a cash bond of $100 and other types of entertainers a cash bond of $300. A number of people drew this matter to my attention and the report created a furore as the minister will understand. I would be interested in the minister's comment.

Mrs. Fairclough: Mr. Chairman, I do not think there has been any change. Of course, each of these groups of entertainers is judged on its own face value. We have to determine if the group is a bona fide entertainment group, whether it has a contract of employment in Canada and whether it is putting Canadians out of work. There are a great many angles to this matter.

I do not think the payment of a cash bond is usual for the average group of entertainers entering Canada. It seems to me I recall something about this particular instance but I cannot remember the details. I would be glad to inquire into the matter and give my hon. friend a complete report on the particular case which he mentions. There seems to be many things which happen in Vancouver which do not happen elsewhere in the country and I am afraid I could not give a blanket answer with respect to this particular problem without looking at the file. If the hon. member would be satisfied to accept a report from me at a later date, I shall be happy to have the matter investigated.

Mr. Winch: I would appreciate that. It is very serious when a report of this nature is published in a newspaper with a circulation amounting to a few hundred thousand and especially when the author of the article suggests that the new regulations are a racial measure directed at negro entertainers who want to enter Canada. I believe it would be an excellent thing to have the matter clarified.

Mrs. Fairclough: Without listening to any more detail I would say that such statement is absolute nonsense. We have negro entertainers coming into Canada right across the country from Halifax to Nova Scotia—

Mr. Browne (St. John's West): Halifax to Vancouver.

Mrs. Fairclough: Yes, thank you, Vancouver to Halifax. If they are bona fide entertainers and have contracts with Canadian places of entertainment they would have no difficulty.

Mr. Pickersgill: I hope the hon. member is not suggesting that they would not be admitted to Newfoundland.

Mrs. Fairclough: Oh, no. I was thinking of the immediate border.

Mr. Peters: Mr. Chairman, have there been any changes in the regulations respecting oriental immigration or are any changes contemplated? I am thinking of people in those categories described by the minister as borderline cases. These people do not necessarily

come under the regulations now. I was wondering about those to whom some hope had been held out concerning changes in the act itself.

Mrs. Fairclough: I am afraid I do not understand what it is to which the hon. member refers. There was a change made with reference to Chinese fiancées the result of which means it is no longer necessary to post a cash bond. So far as any other changes are concerned I could not promise anything until we get the present investigation cleaned up, if that is the matter to which my hon. friend refers.

Before I resume my place perhaps I may be permitted to indicate to the hon. member for Bonavista-Twillingate that I now have some tables which I promised to make available to him the other day. One refers to immigration to Canada from countries in which Canadian immigration offices are located with the number of persons employed. That table gives figures up to February 19, 1961. The other table is a reconciliation of the revolving fund. If I have the permission of the committee, Mr. Chairman, instead of trying to read these rather voluminous tables, possibly I could place them on *Hansard* at this time.

Mr. Pickersgill: That would certainly be agreeable to this side.

The Chairman: Does the committee agree to have these documents inserted in *Hansard* at this point as having been read?

Some hon. Members: Agreed.

(Editor's Note: The tables referred to above follow on p. 2135.)

Mr. Pickersgill: The hon. lady was also going to see if she could not supply me with the memorandum which takes the place of that incomprehensible document that she produced last year. Has she reached any conclusion about that yet?

Mrs. Fairclough: I think that is still to come, Mr. Chairman. I will find out about that. These charts came through first.

Mr. Pickersgill: One other question; I think, as far as I recall without checking back in *Hansard*, these were the only things the hon. lady agreed to produce. If she regards this as a breach of my agreement she does not need to answer this question. There was one question I meant to ask and forgot and it is this. Does the department still refuse to allow persons who are in Canada as visitors to apply for landing while they are inside the country?

Mrs. Fairclough: Generally speaking, yes, Mr. Chairman, but there are some extenuating circumstances. I do not think I can give a flat answer to the question. For instance, a person comes in and marries, or comes in to visit a relative and the relative takes ill. Of course, humanitarian principles govern in cases such as these. I do not think I could give my hon. friend a straight answer to his question.

Mr. Pickersgill: The hon. lady will remember that the first year she was minister she was very rigid about this. I gather from what she says she has learned from experience.

Mrs. Fairclough: I would not say it was learning from experience so much as it was relaxing in cases where humanitarian principles call for some relaxation.

Mr. Pickersgill: Perhaps I could say the minister is following a good example.

Mr. McGee: Mr. Chairman, I wish to ask the minister about a rather delicate aspect of the immigration problem. Probably every hon. member has been approached by persons in this country with relatives in some other country, and the plaintive quality of their supplication, either in letter form or over the telephone and sometimes in person, takes the form of pleading, offering to do anything to be able to bring their loved one, their family or other persons to Canada. From time to time in discussions with these persons it has been suggested that they wanted to approach their member of parliament and do the thing properly and honestly, but the suggestion has persisted, certainly as long as I have been a member of parliament, that there are people who can fix these things.

Of course, any time this suggestion is made I try to obtain the name. I used to ask for it outright and, of course, the individual concerned would immediately shy away. On several occasions, one within the last year, upon asking about this particular individual who was supposed to be able to fix these things the individual informed me that he had already been asked that question, presumably by somebody in the immigration department, and he had turned over that information. As a matter of fact, in one case he said the mounted police had come and interviewed him almost immediately.

I must say I was greatly impressed with the dispatch with which this investigation was followed up. Certainly, the obvious suggestion conveyed by those persons—those are applicants for friends and family to come to the country—was that this person who had the inside track was getting to somebody within the department. As I say, I was impressed with the fact that they were being pinned down, they were being followed up.

Table showing immigration to Canada from countries in which Canadian immigration offices are located, with number of persons employed (as of February 1961)

Country	No. of Immigrants	Post	No. of Employees: Canadian Officers	Canadian Other	Locally Engaged
EUROPE					
Austria	2,038	Vienna	4	1	11
Belgium	1,282	Brussels	4	1	7
Denmark	1,115	Copenhagen	4	1	6
Finland	964	Helsinki	1	—	3
France	2,944	Paris	9	1	12
Germany	10,774	Cologne, Berlin, Hamburg, Munich, Stuttgart	13	1	56
Greece	4,856	Athens	2	—	8
Ireland (Republic)	799	Dublin	2	1	3
Italy	20,681	Rome	8	1	23
Netherlands	5,429	The Hague	4	1	11
Norway	359	Oslo	1	—	3
Portugal, Spain	5,023, 526	Lisbon	2	—	4
Sweden	334	Stockholm	1	—	3
Switzerland	1,048	Berne	2	—	4
United Kingdom	19,585	London, Liverpool, Leeds, Bristol, Belfast, Glasgow	44	5	62
MIDDLE EAST					
Israel	1,532	Tel Aviv	2	1	4
ASIA					
Hong Kong	1,146	Hong Kong	4	1	9
India	505	New Delhi	2	1	4
TOTALS	80,850		109	16	233

RECONCILIATION OF REVOLVING FUND

Amount of fund authorized		$ 9,000,000.00
Total amount of assistance to December 31, 1960	$20,763,517.35	
Less refunds received to December 31, 1960	17,024,967.53	
Accounts outstanding		3,738,549.82
*Balance available as of December 31, 1960		5,261,450.18
		$ 9,000,000.00

* As at December 31, 1960, there were outstanding commitments in the amount of $137,577.50

No. of persons who have benefited from scheme since its inception in February, 1951 123,658

I wonder whether the minister can give us any information about these investigations and the type of person, if they do not have any particular qualification, who preys on those people, who takes advantage of those longings to extract, and I am given to understand in some cases substantial amounts of money from them? To my mind they are some of the most despicable people on the face of the earth. I am wondering whether the minister can tell us anything about those investigations? To her knowledge, have any of those types of individuals been apprehended? If so, what has happened to them?

Mrs. Fairclough: Mr. Chairman, this is one of those unpleasant things that arise from time to time. Unfortunately, there are people in this country who attempt to make money out of other people's troubles and whenever we hear of a case where we have sufficient

information to investigate it we institute an immediate investigation. If we can get sufficient evidence to prosecute we will certainly prosecute. I cannot tell my hon. friend that I have any immediate recollection of a recent successful prosecution. Of course, if there are some, as I suspect there are, in the process of investigation, I could not discuss them in any event; but I can assure the hon. member that if we can find out that anyone is in fact attempting to take money from people on the promise that he can fix anything, if we can get enough evidence we will fix him.

Item agreed to.

Indian affairs branch—
55. Administration, $792,099.

Mr. Pickersgill: Does the hon. lady wish to make a statement?

Mrs. Fairclough: Mr. Chairman, since I last introduced estimates for the Indian affairs branch in this house I have had the privilege of meeting many more Indian Canadians in their far flung home communities. Last September I visited Churchill and talked with Indian people who live on the shores of Hudson bay. A few weeks ago I met others who live on the shores of the Atlantic in historic Cape Breton. Previously I had visited with the great prairie tribes and had met with them at their ceremonial fires. I have also visited the homes of those ancient Canadians who net their livelihood from the deep waters of the Pacific. I mention these things to indicate to hon. members that the conclusions I have arrived at are not the result of merely cursory examination of statistics nor of an isolated visit to a community with a particular local problem, but are born of firsthand knowledge after visiting these Canadians in their communities from sea to sea.

I would not deny that the problems of these, our oldest Canadians, are many and difficult. Indeed they are, and their solution will require understanding, imagination and the best and wises decisions that we who legislate can bring to bear. And here let me say that I have high hopes that exhaustive examination of the social and economic status of the Indians now being undertaken by the joint committee of the Senate and House of Commons will point the way to both legislative changes and desirable programs.

Be that as it may, I am convinced, and I am sure hon. members are of like mind, that it is our bounden duty to ensure that Canadians of the Indian race are given the opportunity of sharing fully in the national life of this country. This will be denied them unless they are given the training, academic and technical, to fit them for our increasingly complex and highly industrialized economy. I have recently stated outside this house the desirability of new Canadians possessing these skills from a point of view of their own good as well as that of Canada. It is, therefore, our duty to ensure that the oldest of our many Canadian races are granted these necessary skills.

The estimates now before the committee bear witness to our intentions to accept this obligation. Hon. members will note that almost $29 million, over 58 per cent of the total Indian affairs appropriation, is proposed for educational purposes. This continued expansion of the Indian educational program is reflected not only in the number of pupils receiving education but also in the scope of the courses which are being made available for Indian students. Preliminary reports indicate that the number of Indian pupils receiving an education has now reached the figure of approximately 42,500 of whom more than 10,000 are enrolled in non-Indian schools, universities, teachers' colleges, commercial and trade schools. The statistics for the year ended December 31, 1960 are not yet available but it is anticipated that at the present rate of increase during the fiscal year 1961-62 pupils attending such institutions will number in excess of 11,500.

In September, 1960 a revision of teachers' salaries was approved. The increase in the requirements for teachers' salaries for the 1961-62 fiscal year, which is approximately 4 per cent higher than the current fiscal year, is to provide for this increased salary scale. The department currently employs 1,351 teachers of whom 123 are of Indian status, or 9.1 per cent of the total teaching staff. It is my hope that this percentage will steadily increase.

The program of organizing education committees composed of Indian band members has continued a fairly rapid expansion. Last year I reported that 19 such committees were in existence. To date this number has increased to 25. These committees have been established in the following regions: in British Columbia, 6; in Alberta, 3; in Saskatchewan, 9; in Ontario, 5; in Quebec, 1; and in the maritimes, 1.

The department awarded 18 new scholarships during the fiscal year 1960-61 to outstanding students, the total of which amounted to $17,910, an increase of one in the number of awards and of $3,600 in the total value.

Provision is made for the construction of 109 new classrooms of which 40 are for the replacement of existing units and 40 new staff units, with a total estimated cost of

construction amounting to $5,500,000. In addition, provision is made for financial contributions toward a share of the construction cost of provincial schools in connection with the joint education of Indian and non-Indian pupils in 26 localities. During the current year 15 agreements for joint education of Indian pupils have been completed, with government contributions totalling approximately $1,100,000. The department has now completed 98 agreements with various provincial and territorial school boards in connection with the joint education of Indian and non-Indian pupils.

During the current fiscal year the program of repairs and upkeep of Indian schools was accelerated and had the additional attraction of providing for more winter employment. It is expected that an amount of approximately $483,000 will be expended by March 31, 1961, over and above the amount originally provided for this purpose.

In addition to the regular school program, the department has continued its work in the adult education field. During the year 1959-60 the total enrollment was approximately 1,300 with the greatest number enrolled in literacy and homemaking courses. In this regard the upgrading courses institute an interesting innovation in our adult education program this year. Under these schemes young Indian men and women who have left school are given short concentrated courses in English, mathematics and social orientation to prepare them for commercial, trade training and employment. Much interest and enthusiasm have been indicated so that now we have over 150 participants in such courses in Edmonton, Regina, Prince Albert and at Muncey. It is very apparent that the young Indian adult is becoming increasingly aware of the necessity of formal training.

An obvious extension of our responsibilities to Canadians of the Indian race is to ensure that, once skills have been attained, equal opportunities exist for them in the economic life of Canada. Through the new economic development division, which came into operation about a year ago, it has been possible to place added emphasis on the distinction between relief assistance on the one hand and the promotion of employment opportunities on the other. In the field of agriculture, assistance has generally been provided on a repayable basis. The program of lending cattle on a rotational basis to selected Indians in the western provinces has aroused considerable interest during the past year, and the current estimates include provision for a very substantial increase in livestock expenditures.

Under the employment placement program, with excellent co-operation from the national employment service, the total number of selected Indians placed in regular employment in urban centres since April, 1957 has now risen to over 700, of whom 270 were placed during the year ended November 30 last. These are for the most part young Indians qualified for their jobs. They are in a very real sense pioneers in the process of integration; and the department has continued the policy of careful selection with this in mind and with a view to promoting good and lasting relationships with employers.

Rural and seasonal placements in which placement and field officers participated totalled over 8,500 from April, 1957 to November, 1960 and included nearly 4,000 individuals placed during the last year. These figures do not, of course, include Indians who have obtained employment independently or with the assistance of their local agency superintendent.

One of the problems in encouraging young Indians to take advantage of vocational training and employment opportunities has been, in many cases, their lack of education and social development. This problem was thoroughly reviewed at a meeting of administrative, educational and placement staff at Edmonton in October last. As a result, additional courses providing academic upgrading and social orientation have been initiated or are planned at several points in western Canada.

A regional placement officer was appointed to Fort Smith, Northwest Territories, in September, 1960, bringing the total of such specialists to nine. A new appointment for the Yukon Territory is expected shortly, and the estimates include provision for four additional appointments at London, Ontario, The Pas, Manitoba, Calgary, Alberta, and Prince George, British Columbia.

While economic development activities are extending into new fields the fact must not be forgotten that many Indians still depend on hunting, trapping and fishing for their livelihood and will continue to do so. In areas where fishing companies operate, the department assists Indian fishermen by providing equipment when required on a repayable basis, generally through deductions from sales of fish. In other areas the department has organized fishing operations on a project basis and provided supervision equipment, ice houses and other facilities. These operations serve as a training ground for Indian fishermen.

As in the past, Indian trappers have been grubstaked where required. The demands for this type of assistance tend to increase when other employment opportunities diminish. The

Indians in the hinterland, however, benefited from many of the new developments in the northern areas and will participate in them to an even greater extent in the future.

In carrying out the various administrative programs of assistance the department has not overlooked the vital importance of research to meet the needs of tomorrow. An economist was appointed in October, 1960, as an economic development officer, to initiate surveys and studies and to co-ordinate activities of this nature carried out on our behalf or independently by other agencies. Several economic surveys are now in the process of being organized.

In introducing Indian affairs estimates last year I mentioned that a record total of 1,465 homes had been built on reserves and that 228 units had been started. Final records are not yet available for the current year but it is clear that we can expect another very successful year. Members will recall that to help meet the shortage of houses on many reserves and to provide employment during the winter months an additional sum of $200,000 was provided for this purpose in the supplementary estimates passed by the house on December 20 last.

I think hon. members will be particularly interested and pleased to note provision of $100,000 under the heading of loans, investments and advances to make possible housing loans to individual Indians on reserves. The purpose of this relatively small sum is merely to launch the program which will be introduced as soon as possible in the fiscal year 1961-62 in a few pilot areas. The purpose of these funds is to make loans available to Indians who earn a sufficient income to assume such obligations but who cannot secure credit from other lending institutions because of restrictions upon the use of real property situated on reserves as security.

The appropriation for housing is maintained at the same level as in previous years, which as members will recall this government doubled in 1958. These funds will provide grants and subsidies in addition to loans for families whose income is not sufficient to enable them to meet their housing requirements from present or future income.

In regard to welfare assistance, it will be recalled that the former ration system was discontinued in April of 1959. The change in procedure and the increased scale of benefits provided placed a good deal more responsibility upon Indian bands and upon individual members of these bands. Since I last reported to the house on this subject the number of bands whose needy members receive assistance by cheque has increased from 20 per cent to 40 per cent. A particularly interesting development this year has been the negotiation of an agreement with the province of Manitoba. Under this agreement the federal and provincial governments share in the costs of a community development program which the province has launched in an effort to improve the social and economic standards in a number of communities with both Indian and Metis populations.

I should like to comment also, as a matter of general interest, upon the fact that 16 bands representing 74 per cent of the Indians in southern Ontario and 10 bands representing 13 per cent of the Indians in northern Ontario are now administering their own welfare assistance programs on exactly the same basis as municipalities in Ontario. This has been possible through amendments to the Ontario general welfare assistance act and the application of section 68 of the Indian Act.

All persons in these reserves apply to the band welfare administrator in non-Indian municipalities. Assistance is provided by this administrator from funds established in the band bank account. An 80 per cent subsidy, 50 per cent of which represents the federal share under the Unemployment Assistance Act agreements, is paid direct to the bands by the province. Under this program bands administer their own program, pay the normal municipal share of the costs, and deal directly with the province.

This progressive measure is being energetically pushed forward by the province of Ontario in co-operation with the Indian affairs branch. Discussions with other bands in the province are now under way, and it is expected that this program will be extended in the near future. Much has been and is being accomplished in works of a capital nature designed to improve the economy and conditions on populated reserves.

Perhaps the most important aspect of this program has been the extensive construction of roads which are needed, not only for the development of Indian community life but are most essential in providing the Indian population with access to neighbouring municipalities where advantage may be taken of the opportunity for employment and the means of earning a better livelihood. The importance of roads to the educational program, especially on the larger reserves, must not be overlooked. It is only by the provision of better roads that greater use of school bus transportation can be made to ensure that more Indian children attend classes regularly in the schools operated by the department as well as municipal schools where such arrangements are in effect.

It is interesting to note the co-operation received from provincial governments by the branch in its roadbuilding program in many

areas. The payment of provincial subsidies or straight sharing of project costs by the provincial departments concerned have resulted in more and better roads being developed and, in many instances, having these joined up with important provincial and municipal road systems. A continued high level of expenditure on these capital works is anticipated in the new year.

In these introductory remarks I have endeavoured to make it clear that these estimates are designed to meet our needs if certain clearly defined objectives are to be attained: First, a continued acceleration of our educational program so that Indian youth will be assured the opportunity of a full academic life and the opportunity of learning those skills which are necessary tools with which to work and progress in our national life; second, the development of projects designed to enable him to take full advantage of knowledge so gained; and, third, the improvement of home and community facilities so that he may walk securely among us as a fellow citizen blessed with a proud heritage.

Mr. Pickersgill: Mr. Chairman, I think it is a great advantage to the committee to have had the quite comprehensive survey that has just been given by the minister. I should like to thank the hon. lady for the neat way in which she summarized what she felt to be the most important aspects of the work of the department. I am very happy to see that there seems to be no difference between us that the most important part of the work of the Indian affairs branch is in the field of education. It is incomparably more important than anything else. I am very glad also to observe that it is realized more and more that education does not stop at the age of 16.

One of the most tragic features—I think I have mentioned this on several occasions before but it does no harm to mention it again—of Indian affairs administration for many years was the lack of any provision for those young people who came out of residential schools and who went back to the reserves. These people often came from broken homes and were orphans at the age of 16. They returned to the reserve because there was no place for them to go and, in some cases, they were quite disoriented from their band. This was something that certainly should not have been allowed to continue even as long as it did.

We do know that after the war the government began to repair the damage which had resulted from the neglect of the war years, and there was so much to do in so many directions that it could not all be done at once. It is reassuring, and I am sure it is true, to find that today no Indian who can get through high school and who is willing to go on and take further education, is denied the opportunity for financial reasons.

Mrs. Fairclough: Yes, that is right.

Mr. Pickersgill: I think this has been true since the days when Mr. Harris was the minister, and the provision of the scholarships, with which I was associated when I was minister, was just another stage in the development. I think it was more a moral change than anything else in that it seemed to me that the scholarships established a recognition of merit. Before the scholarships were established the Indians were not denied the education that they were capable of taking. The gratifying thing is that there are more, not as many as we would hope perhaps, of these young Indians who finish high school and who go into universities, more who go into technical schools and, more recently, into vocational training.

It is very encouraging also to find, if I understood the hon. lady correctly, that there has been an increasing interest on the part of adult Indians, particularly the younger adults, in securing vocational training of one kind or another. I must say I should like to look again at what the hon. lady said about the placement service to see whether there is an adequate reflection in the placement of the increased educational training. I would hope there is, but of course we do recognize that in the present circumstances employment is not quite as easy to get as it was a few years ago when people were coming to beg us to provide Indians for various occupations. We know it is not quite so easy to get jobs today.

I think it would be interesting, when we are considering these estimates tomorrow in somewhat more detail, to have the minister tell us about some of the areas in which there is an increasing amount of regular employment being provided for the Indians off the reserves and particularly in the northern and frontier areas. It seems to me that they are much better adapted to provide really stable employees than are many of the people who drift into these areas from the more settled parts of the country and who also quite often drift out quickly afterwards.

I intend to make a request of the minister and I should like to give her notice of this request now. Some time tomorrow I intend to ask the minister whether she could have a computation made and could give it to us, first of all, giving the latest available figure of the total Indian population which I believe is growing. I presume a D.B.S. estimate was made.

Mrs. Fairclough: I could give it right away.

Mr. Pickersgill: I think it would perhaps be better to have all this information together. What I should like to have is this. I should like to know approximately how much the federal government is spending not just in the Indian affairs branch but also adding in the amount in the Indian health branch.

Mrs. Fairclough: I am not responsible for that.

Mr. Pickersgill: I know the minister is not responsible for this matter but in order to get a figure that would not be a discredit to the government of the country, I think it would be desirable to add the two together just to find out per capita what we are spending on the Indians. I think this would be of interest to the people of Canada generally. I think it is the kind of information that it would be desirable to give. If the minister gives only the figures for her own department that would be a gross underestimate of what really is being done by the Canadian people.

Mrs. Fairclough: I can speak to my colleague.

Mr. Pickersgill: I could do the arithmetic myself for the minister but I have not as much technical assistance as she has.

Mr. Fisher: That is not the way we heard it.

Mr. Pickersgill: If I could get the assistance of the hon. member for Port Arthur perhaps I could do these problems in arithmetic myself. I think perhaps I could do them, but I am appealing to the minister and to her sense of collective responsibility in making this particular request.

I was also greatly interested in what the minister said about the administration of welfare. I recall that in 1957 we took the first tentative steps in a few pilot reserves to pay relief in cash and to leave it to the Indians to make their own decisions as to the way in which they would spend that money. I know this was done with a certain amount of misgiving on the part of many of those who were associated with that decision. From what the minister has said I gather that this procedure had turned out well and that it is being adopted to an increasing extent. I was also interested in—and I think I shall have a few more questions to ask about it—this arrangement that is being made with the government of Ontario for the administration of relief through municipalities.

I should also be greatly interested to hear in more detail about this new agreement in Manitoba which was already, of course, being foreshadowed by work that was being done in the legislature as much as five years ago by a legislative committee. As a matter of fact the department lost an extremely useful member of the citizenship branch who went to the government of Manitoba when I was minister in order to start the planning of this work. I am prompted to make one other observation and then I am going to sit down because I should like the hon. member for Skeena to have a few minutes.

Mr. Howard: Oh, oh.

Mr. Pickersgill: There seems to be a marked difference between the attitude toward Indians of provincial governments in those provinces in which the Indians have the vote and that in those in which they do not have the vote.

Mr. Howard: The graciousness of the hon. member for Bonavista-Twillingate overwhelms me. I was sure that with his vast store of knowledge and his great interest in this matter he would be making perhaps more than one speech on the item.

Mr. Pickersgill: I make no promises.

Mr. Howard: In the few moments at my disposal may I express the appreciation of all of us in the effective opposition of the comprehensive statement of the minister earlier in opening up these estimates. We think that quite correctly she has put her finger, as well as has the hon. member for Bonavista-Twillingate, on the whole question of the acculturation or the integration of Indians or the mutual interest amongst Indians and non-Indians. I refer to the field of education.

You will recall, Mr. Chairman, that at an earlier stage when we were debating the establishment of a joint committee of the Senate and House of Commons on Indian affairs we also dealt with this matter. My particular point then was that education is a thing upon which we must rest our hopes and in which we must place our faith with regard to having our Indian people take the longest possible step toward a decent way of life and respectable living.

Incidentally, while I am on the subject of the joint committee, may I say this. I cannot for the life of me understand the long delay in calling that committee or why that committee has not been called since it has been established. I hope this difficulty will perhaps be overcome within the next two or three days or at the beginning of the week so that this all-important committee can get down to studying the intricacies of this particular problem to the end that it might come up this session with some decent recommendation.

Resolutions reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Perhaps I could ask the house leader what the government is planning for tomorrow.

Mr. Churchill: Tomorrow we will carry on with the estimates that come under the jurisdiction of the Minister of Citizenship and Immigration; that is to say we shall conclude Indian affairs. Then there are some other items such as national gallery, film board, archives and national library which would be passed, I hope tomorrow.

For the guidance of the house, I might just say this. When you consider the fact that the estimates of 20 departments are to come before the house, it is advisable early in the session to allocate the time so that we are not rushed in our deliberations toward the conclusion of the session. About six hours have been devoted to this particular department. If these estimates are concluded tomorrow we will carry on then with the estimates of the Department of Agriculture. The forecast for next week, which I underline is subject to change, runs as follows. On Monday and Tuesday there would be a supply motion, the subject matter being in the hands of the opposition. Wednesday, Thursday and Friday would be devoted to government business.

Unless something occurs over which I have no control it is expected that on Wednesday we will deal with the motion in the name of the Minister of Transport to set up the sessional committee on railways, air lines and shipping followed by the resolution in the name of the Minister of Transport to amend the Canadian National Railways Act. That resolution is No. 5 on today's order paper.

The estimates for next week will be announced, I imagine, on Monday or Tuesday of next week. It depends on the progress we make tomorrow.

Mr. Pickersgill: I might perhaps draw the attention of the leader of the house to the fact that there was an implication to be drawn from what the Prime Minister said that the estimates of the Department of Labour would be taken next week.

Mr. Churchill: The Prime Minister suggested there was an opportunity on the supply motion for the subject which concerns the opposition to be discussed. A good deal depends on that. If the spokesman for the opposition will tell me what the subject is to be for Monday and Tuesday, then perhaps I could announce whether the estimates of the Department of Labour will be considered next week.

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

ANSWERS TO QUESTIONS

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

BRITISH COLUMBIA—INDIAN AFFAIRS CONTRIBUTIONS TO WORKS PROJECTS

Question No. 68—**Mr. Howard:**

1. Since January 1, 1950, has the Indian affairs branch contributed any money towards provincial government highway, bridge or ferry projects in British Columbia?

2. If so, and for each such project, what was, (a) the locale; (b) the band or bands affected, and (c) the amount of money so contributed?

Answer by: **Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration):**

1. Yes.

2. (a) Locale	(b) Band	(c) Amount	
Port Hardy	Kwawkewlth	$ 6,480.99	(road)
Aiyansh Indian village	Gitlakdamix	26,938.97	(road)
St. Mary's reserve	Kootenay	5,000.00	(bridge)
Taseko river (Nemaiah valley)	Nemaiah valley	3,500.00	(bridge)
Causton	Similkameen	27,464.32	(bridge)
Fraser river (Near Lytton)	Lytton	5,760.00	(ferry)

SEWER CONSTRUCTION, LAVIOLETTE COUNTY, QUE.

Question No. 91—**Mr. Argue:**

1. Was the Department of National Defence involved in any way in the construction of a sewer under Main and Saint Andrew streets in the municipality of Parent, Laviolette county, Quebec, in 1959?

2. If so, why, and to what extent?

3. Have any complaints regarding the construction of this sewer been made?

4. If so, what is their nature, and what has been done about them?

Answer by: **Hon. D. S. Harkness (Minister of National Defence):**

1 and 2. No. However, during 1959 the Department of National Defence contributed to the cost of paving approximately one mile of the main road through the village of Parent. This work involved the raising of several manholes of existing sewers.

3. No.

4. Not applicable.

MATANE AIRPORT, QUEBEC

Question No. 59—**Mr. Bourget:**

1. Does the Department of Transport intend to carry out any works at the Matane airport?

2. If so: (a) will such works be carried out during the fiscal year 1961-62? (b) what works will be done, and what will be the cost thereof?

Answer by: **Hon. Leon Balcer (Minister of Transport):**

1. No.

2. (a) and (b). Not applicable.

SABIN ORAL POLIOMYELITIS VACCINE

Question No. 100—**Mr. Martin (Essex East):**

1. What progress has been made by the Department of National Health and Welfare in testing Sabin oral poliomyelitis vaccine?

2. Are any tests or studies of this vaccine now being carried on by the department?

3. Is it proposed to introduce this vaccine for general use in the near future?

Answer by: **Hon. J. W. Monteith (Minister of National Health and Welfare):**

1. The Department of National Health and Welfare is assisting the development of live oral polio virus vaccine in Canada through the national technical advisory committee on live polio virus vaccines, the food and drug directorate, the laboratory of hygiene, the epidemiology division, and with funds made available through the national health grants. Last year limited studies on the use of Canadian produced live polio virus vaccine were carried out in Canada, and the national technical advisory committee has recommended more extensive demonstrations of the use of this product for the current period.

2. Yes. Laboratory tests on the vaccine are continuing in the laboratory of hygiene.

3. No. The licensing of the vaccine will depend on the progress and results of the demonstrations and the product is not likely to be introduced for general use before next summer.

PUBLIC AND RELAY MAIL BOX INSTALLATIONS

Question No. 102—**Mr. Denis:**

1. A. How many (a) metal (b) non-metal, outside public mail boxes have been installed (i) in the city of Ottawa (ii) in the rest of the country?

B. Of these, how many, of each class, and in each area above-mentioned, have been illegally opened since January 1, 1961, without the box or its lock being damaged?

2. A. How many outside relay boxes have been installed (a) in the city of Ottawa (b) in the rest of the country?

B. Of these, how many in each area above-mentioned have been illegally opened without the box or its lock being damaged since January 1, 1961?

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

A review of the records of the investigations division and of the reports received from the field for the period to be covered provides the following information re 1B and 2B.

1. A. (i) (a) 487, (b) 1; (ii) (a) 20,304, (b) 54. B. (i) (a) nil, (b) nil; (ii) (a) 2, (b) nil.

2. A. (a) 786, (b) 20,209; B. (a) nil, (b) nil.

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

47. Departmental administration, $1,001,840.
49. Citizenship branch, $808,322.
50. Grants to organizations as detailed in the estimates, $40,000.

HOUSE OF COMMONS

Friday, February 17, 1961

The house met at 11 a.m.

EXTERNAL AFFAIRS

ANNOUNCEMENT OF VISIT OF UNITED KINGDOM PRIME MINISTER

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to inform the house that the Prime Minister of the United Kingdom, Right Hon. Harold Macmillan, has accepted my invitation to visit Ottawa after his forthcoming meeting with President Kennedy in Washington. Mr. Macmillan will be accompanied by Lady Dorothy. He expects to arrive in Ottawa on the evening of Friday, April 7, and to leave late in the evening of April 8.

Hon. Paul Martin (Essex East): Mr. Speaker, I am sure that the announcement made by the Prime Minister of the intended visit of the Prime Minister of the United Kingdom to our country will be warmly received. The Prime Minister of the United Kingdom will, of course, be very welcome in Canada.

Mr. Hazen Argue (Assiniboia): This is a welcome announcement by the Prime Minister. All Canadians will be pleased to once again have the opportunity of welcoming the Prime Minister of the United Kingdom to our country. I express the hope that arrangements may be made for Prime Minister Macmillan to address both houses of parliament while he is visiting Canada. I think the nation would welcome this if it is possible to make the arrangements.

ESTATE TAX

ANNOUNCEMENT OF CONVENTION BETWEEN UNITED STATES AND CANADA

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, hon. members will no doubt be interested to know that a convention has been concluded between Canada and the United States for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates. Arrangements have been made to have the convention signed in Washington today by the Canadian ambassador and the United States secretary of state.

This convention is additional to the existing convention between Canada and the United States signed June 8, 1944, which continues to apply to the estates of persons who died before January 1, 1959. The new convention applies to the estates of persons dying on or after that date, which is the date on which the Canadian Estate Tax Act superseded the dominion succession duty act. The convention follows the general pattern of the 1944 convention between Canada and the United States and the conventions between Canada and the United Kingdom, France, Ireland and South Africa.

The taxes included in the scope of the new convention are the Canadian estate tax, the United States estate tax and any other taxes of a substantially similar character subsequently imposed by the federal governments of either country.

The main purpose of the convention is to avoid double taxation which might otherwise result, particularly when the estate of a person dying domiciled in one country includes assets situated in the other country. This purpose is accomplished chiefly by a reciprocal system of tax credits whereby the country of domicile gives credit for the tax imposed by the country where the assets are situated, that is to say the country of situs. In order to make this system work smoothly specific rules of situs for assets of various classes are provided. These rules are almost identical with those in the Estate Tax Act.

Another method of avoiding double taxation is by providing that when one country is taxing solely on the basis of situs it will take into account only property situated in its territory and will restrict its tax by limiting its rates or by allowing an exemption, or both. Accordingly Canada has bound for the term of the convention the present flat rate tax of 15 per cent imposed by the Estate Tax Act on property situated in Canada of any foreign domiciled decedent. The convention also stipulates that Canada will not tax such property if its value is less than $15,000. This contrasts with the provision in the Estate Tax Act whereby such property will not be taxed if its value is less than $5,000. The United States in taxing Canadian domiciliaries is similarly required to restrict its tax base to property situated in the United States and not to tax if this property is valued at less than $15,000. However, the United States, which uses a schedule of graduated rates, is not obliged to restrict its rates; instead it is

required to allow a deductible exemption of $2,000 in all cases where the property is valued at more than $15,000.

By the terms of the convention Canada will make two other changes of substance affecting the normal operation of the Estate Tax Act. The first is that Canada, in giving a credit for United States taxes on property situated therein, will give a credit for the United States federal tax before this tax is itself reduced by credits allowed in respect of taxes levied by the state governments. The United States will similarly give a credit for the Canadian federal estate tax before this tax is reduced by abatements in respect of provincial succession duties. This provision has much the same result as allowing a credit for the provincial or state taxes of the other country. The new provision will make Canadian practice reciprocal with long-standing United States practice and will benefit estates of certain Canadian domiciliaries by increasing the amount of credits given.

The second of these changes is that where Canada allows a deduction for a bequest to a charitable organization in Canada, as it now does under the Estate Tax Act, it will also allow a deduction for a bequest to any charitable organization in the United States that would have qualified according to the Canadian definition of a charitable organization, if it had been in Canada. An example would be a university, Mr. Speaker. The provision affecting this amendment is reciprocal and again will bring Canadian practice into conformity with long-standing United States practice. It will also be beneficial to the estates of Canadian domiciliaries where such a bequest exists.

The convention will come into force when it receives legislative approval and is ratified by the governments of the two countries. When the convention comes into force it will be retroactive to January 1, 1959, so as to provide continuity with the existing convention. Consequently benefits resulting from its terms will apply to the estates of persons dying on or after that date. A bill to implement the convention will be introduced in the house in due course.

TRADE

WHEAT—ANNOUNCEMENT OF PURCHASE BY CZECHOSLOVAKIA

Hon. Alvin Hamilton (Minister of Agriculture): I am pleased to announce that the Canadian wheat board has concluded an agreement with KOOSPOL, the Czechoslovakian purchasing agency for foodstuffs, for the purchase of approximately 200,000 metric tons of Canadian wheat or approximately 7.3 million bushels of No. 2 and No. 3 wheat, with a small amount of Durum. The wheat is to be shipped from St. Lawrence ports following the opening of navigation. The wheat will be purchased on a credit basis and, by agreement between the governments of Czechoslovakia and Canada, export credits insurance has been provided in order to facilitate this sale. The terms of payment are 10 per cent cash at date of shipment; 30 per cent payable one year from date of shipment; 30 per cent payable two years from date of shipment; 30 per cent payable three years from date of shipment. The Canadian grain trade, acting as agents of the Canadian wheat board, will negotiate individual contracts with the official purchasing agency of the Czechoslovakian government.

[Mr. Fleming (Eglinton).]

Hon. Paul Martin (Essex East): Mr. Speaker, the house will welcome this announcement, as it did the announcement the other day of the proposed sale of wheat to China. The minister has given us some details as to the method of payment, but it may be that he will expand on this on some other occasion or perhaps on orders of the day. In any event, this welcome news will assist the farmer who needs assistance at this time in Canada.

Mr. Hazen Argue (Assiniboia): The Minister of Agriculture seems to be developing the habit in connection with his announcements of extra Canadian wheat sales, to make them when they involve countries that might not, under present conditions, be expected to buy their supplies from the United States. These sales are welcome. I may say that over the years I have had some part to play myself—

Some hon. Members: Oh, oh.

Mr. Argue: Hon. members can laugh if they like—in assisting in the conclusion of sales to such countries.

An hon. Member: How many bushels?

Mr. Argue: The record is quite clear and I could spell it out if hon. members would give me the opportunity, Mr. Speaker.

Mr. Speaker: Order. I am not sure what was the cause of the reaction, but perhaps hon. members will allow the member for Assiniboia to finish his comments.

Mr. Argue: I was about to go on to say that I hope any future announcements the government makes will demonstrate that the government is being just as successful in holding or increasing our sales to our normal or regular markets.

The fact that this wheat will be shipped through the St. Lawrence ports is welcome

news indeed because producers in Manitoba, eastern Saskatchewan and central Saskatchewan in recent months have found difficulty in marketing their grain because of a lack of markets which took wheat through eastern Canada. This, Mr. Speaker, could be of some help in allowing the Canadian wheat board to raise the quotas in Manitoba and the parts of Saskatchewan to which I have referred.

RESEARCH

PERSONNEL OF SPECIAL COMMITTEE TO CONSIDER POLICY, OPERATIONS AND EXPENDITURES

Mr. John Pallett (Peel) moved:

That the special committee on research appointed Thursday, February 16, 1961 be composed of Messrs. Aiken, Batten, Best, Bissonnette, Bourget, Brunsden, Dumas, Drysdale, Forgie, Godin, Grafftey, MacLellan, McIlraith, Murphy, Nielsen, Payne, Pitman, Slogan, Smith (Winnipeg North), and Stewart.

Motion agreed to.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

Hon. E. D. Fulton (Minister of Justice) moved for leave to introduce Bill No. C-70, to provide for the furnishing of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities within Canada.

Some hon. Members: Explain.

Mr. Fulton: Mr. Speaker, this is legislation which was forecast in the speech from the throne to compel the disclosure of certain important essentials as to the details of their operations by corporations and trade unions carrying on activities in Canada, which are controlled from outside Canada.

Motion agreed to and bill read the first time.

UNITED NATIONS

CONGO—REPORTED COMPLAINT RESPECTING STATEMENT BY PRIME MINISTER

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to address to the Prime Minister a question arising out of part of the statement he made yesterday in this house when he outlined Canada's position regarding the situation in the Congo. I should like to ask the Prime Minister if his attention has been directed to reported complaints on the part of certain neutral African nations, members of a conciliation commission designed to deal with the situation in the Congo, who have alleged that part of the statement made by the Prime Minister yesterday was a breach of confidence and that, instead of helping to alleviate the situation in the Congo, it has aggravated it.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. member for Kootenay West (Mr. Herridge) has given me notice of his intention to ask this question.

Mr. Martin (Essex East): I think the Prime Minister will agree that I had given him notice also.

Mr. Diefenbaker: Later. Apparently what the hon. gentleman has in mind is an article in this morning's *Globe and Mail*. I would point out the fact that over this article, which refers to the circumstances outlined by the hon. gentleman, this paragraph appears:

The following report of Ottawa disclosures of information on Congo conciliation commission was received simultaneously last night with a report from Henry Tanner in Leopoldville which revealed that the commission's recommendations had also been disclosed in the Congo. A short time later the above story by Lindsay Parrott with extensive quotes from the commission report was filed by the New York *Times*.

This is the report to which the hon. gentleman refers and which indicates the degree to which the gist of the conciliation committee's report had been made public in New York and elsewhere before reference to it was made in this house. The general idea embodied in the report had indeed been in circulation for some time. Those ideas coincide generally with the views of the Canadian government, and in fact what I was discussing was ideas under consideration by the Canadian authorities which in any case had already become part of the public domain. The very fact that the article in question has over it this reference to the degree to which the contents of the report had already been made public is an answer to the allegations of the correspondence in question. In my statement I gave an outline.

All I can say is that there was nothing revealed in any way that was of a confidential character. Indeed, the information had been revealed in the press or by reports before any reference was made in this house.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, a supplementary question to the Prime Minister. The reports in the United States press were straight news reports and did not refer to a leak or anything of that sort?

Mr. Speaker: Order. I do not think the Prime Minister can be held accountable for what is published in the United States press.

Mr. Hazen Argue (Assiniboia): A supplementary question, Mr. Speaker. Could the Prime Minister say whether the government

has received any communications from any nations involved protesting this alleged leak by the Prime Minister?

Mr. Diefenbaker: Mr. Speaker, the only alleged leak was a reference by a correspondent, and there has been nothing from any of the nations in question protesting in any way.

NATIONAL DEFENCE

TRACADIE RANGE, N.E.—SETTLEMENT OF DAMAGE CLAIMS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Could the minister inform the house whether a final decision has been reached as to the settlement of claims for damages caused last summer in the Tracadie range area by an R.C.A.F. plane from the Chatham air base; and if so, can payment be expected at an early date?

Hon. D. S. Harkness (Minister of National Defence): Yes, Mr. Speaker, one claim has already been settled and payment made. With respect to the other claimants, authority has been given to negotiate settlement of all claims except three, where ownership of the property damaged has not yet been established. It is expected that a legal officer of the department will visit the area within the next week or ten days to make payment to the various individuals concerned.

TRADE

EUROPEAN TRADING GROUPS—REMARKS OF PRESIDENT OF U.K. BOARD OF TRADE

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): Mr. Speaker, I would like to address a question to the Minister of Finance, who has indicated that representatives of the government have been keeping in close touch with the conference of the outer seven trading units in Europe.

I wonder whether the Minister of Finance heard the direct report on the C.B.C. news this morning from London, which in part was a direct voice recording of a statement by the president of the board of trade of the United Kingdom upon his return from that conference. Mr. Maudling said the group of Seven had certainly agreed that further approaches to the common market group of Six would be made, but he indicated that in addition to that, for the advantage of trade liberalization, new approaches to the United States were equally necessary.

Could the minister explain why no reference was made in the remarks of the president of the board of trade to approaches to Canada in the hope of reducing tariffs, and does the minister think this was perhaps in some manner due to the rebuffs which the United Kingdom received in Montreal two years ago?

Mr. Speaker: Order. The hon. member has asked a question in a way which puts it outside the responsibility of the Minister of Finance. There may be appropriate questions to be asked as a result of the conference, but the way the hon. member has expressed it he endeavours to make the Minister of Finance accountable in an administrative way for a statement made by the president of the board of trade of the United Kingdom.

Mr. Benidickson: My question was whether or not the observers representing the Canadian government have reported to the minister any explanation of why the president of the board of trade, after the conference of the Seven, indicated that approaches would be made to the United States; but there was an omission when mentioning approaches to the United States to the same toward Canada.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I heard the broadcast this morning. It purported to be a broadcast of some excerpts from a statement made by the president of the board of trade on his return to London. It did not purport to be the full statement at all. I do not know what were the contents of the full statement made by the president of the board of trade.

He drew attention to the fact that the United Kingdom and other members of the outer seven would be interested in exchanging mutual tariff concessions with the United States. I think this is the position of practically all countries now negotiating at Geneva under the auspices of GATT, Canada included. There was no omission of reference to Canada that has the significance the hon. member seeks to attach to it. When the hon. member talks about rebuffs he is putting his own colourful and inaccurate interpretation on something he has been agitating about for a considerable length of time but which has never justified the statements he has made in reference thereto.

Hon. J. W. Pickersgill (Bonavista-Twillingate): A supplementary question, Mr. Speaker. Can the Minister of Finance say whether there have been any recent approaches by the president of the board of trade or any other member of the British government to the Canadian government with a view to liberalizing trade between the United Kingdom and Canada?

Mr. Fleming (Eglinton): There are exchanges proceeding in reference to the present negotiations at GATT. The negotiations which have proceeded at Geneva up to this time have concerned proposals to rebind existing tariff concessions. The timetable contemplates that commencing March 1 negotiations will be undertaken with respect to proposed new exchanges, and of course there have been communications passing between the government of Canada and the government of the United Kingdom in reference to this subject in so far as it relates to trade between the two countries.

Mr. Pickersgill: Could I ask the Minister of Finance, Mr. Speaker, whether the Canadian government has made any proposals to the United Kingdom government?

Mr. Fleming (Eglinton): Mr. Speaker, we have expressed views with regard to proposals to the United Kingdom and they have expressed certain views to us. This is the ordinary form of exchange between the two governments.

Mr. Pickersgill: I think the minister misunderstood my question, Mr. Speaker. My question was specifically with relation to the further liberalization of trade between the two countries.

Mr. Fleming (Eglinton): We have made certain proposals to Her Majesty's government in the United Kingdom and Her Majesty's government in the United Kingdom has made certain proposals to the Canadian government.

LABOUR CONDITIONS

THREATENED RAIL STRIKE—INQUIRY AS TO ARBITRATION PROCEDURE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the Prime Minister received a letter from Frank Hall advising him that negotiations are being cut off with the railways partly, at any rate, because of reports that the government is considering some form of arbitration procedure? In view of the desirability of continuing negotiations, could the Prime Minister inform the house whether or not the government is considering a form of arbitration in this dispute?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I have not as yet received any letter from Mr. Hall. After I have received it, I shall then be in a position to reply to whatever allegations or statements may be made therein.

Mr. Argue: Mr. Speaker, may I ask the direct question I asked a couple of weeks ago when the Prime Minister did not answer. Is the government in fact giving consideration to arbitration proceedings?

Mr. Speaker: Order. I think the hon. member is asking the government to declare a fairly considerable amount of policy in answer to a question from him, and that is not in accordance with the practice.

Hon. Lionel Chevrier (Laurier): A supplementary question, Mr. Speaker. In view of the fact that the Prime Minister, I believe, has already tabled the letter which he wrote to Mr. Hall and others, I wonder if he would not do the same thing in connection with Mr. Hall's letter when he receives it?

Mr. Diefenbaker: Mr. Speaker, when the letter is received consideration will be given to the request of the hon. gentleman.

DEFENCE PRODUCTION

BOBCAT VEHICLES—REQUEST THAT PRIME MINISTER MEET LAKEHEAD DELEGATION

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Prime Minister arising out of a statement made in the house on Wednesday by the Prime Minister in connection with the award of a contract for 20 Bobcats to the Canadian Car Company. Will the Prime Minister indicate if he will meet a delegation from the city councils and other bodies of the two cities at a time suitable to him during his visit to the lakehead tomorrow?

Mr. Speaker: Order. I think the hon. member is asking a hypothetical question. He has not indicated that there has been any request for such a meeting.

[*Later:*]

Mr. Badanai: Mr. Speaker, may I direct another question to the Prime Minister. In view of the fact that the hon. gentleman is going to be in the lakehead tomorrow, will he accept an invitation to meet a delegation from the cities of Port Arthur and Fort William?

Mr. Speaker: Order. The hon. member is repeating a question which I have already indicated is purely hypothetical, in the sense that there is no suggestion that there has been any request for the Prime Minister to meet these gentlemen.

INQUIRY AS TO SALE OF AIR CARGO PLANES TO U.S.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the

Prime Minister and ask him if he has seen the article written by George Bain, appearing in this morning's *Globe and Mail*, to the effect that the sale of the Canadair CL-44 to the United States as a military cargo carrier has been hanging by only the thinnest of threads? Mr. Bain goes on to say that the only way to effect this sale is through direct intervention by the Prime Minister with the President of the United States when their meeting takes place. I wonder if the Prime Minister has any comment to make?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the answer to both questions is no.

ARTS, LETTERS AND SCIENCES

REPRESENTATIONS RESPECTING UNIVERSITY BURSARY PLAN

On the orders of the day:

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Prime Minister if he has recently had representations made to him by the Canadian federation of university students in regard to a proposed bursary plan. If so, has he any announcement to make in this regard?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there were representations made to the government some two or three days ago by three representatives of the university federation. These representations naturally will receive the fullest consideration.

AGRICULTURE

REFERENCE TO REMARKS OF MINISTER RESPECTING BREEDING PROGRAMS

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I wish to direct a question to the Minister of Agriculture based on a recent newspaper report which quotes the hon. gentleman as saying that we:

> —have breeding programs for just about everything except trees and human beings and I see no reason why trees should be exempt any longer—

Would the minister assure the house that the minister does not plan to encourage any further exemptions?

UNEMPLOYMENT INSURANCE

INQUIRY AS TO REPLENISHMENT OF FUND

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to direct a question to the Minister of Labour based on a report today from the dominion bureau of statistics that 754,000 individuals claimed unemployment insurance as of December 30 last. Will the minister tell the house whether the government proposes to replenish the unemployment insurance fund out of consolidated revenue and if not what method the government is going to employ to replenish the fund so that further claimants will be guaranteed their contractual rights under the Unemployment Insurance Act?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, this government has always shouldered its responsibilities with a marked degree of responsibility. If the government arrives at any policy in respect of the matters raised by the hon. member, it will make that decision known here in the house.

COAL

CAPE BRETON—REQUEST FOR REPLY TO QUESTIONS ON ORDERS OF THE DAY

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to ask the Prime Minister whether he is in a position today to answer two questions put to him on February 15, one by the hon. member for Gloucester dealing with a meeting between representatives of government, management and labour with respect to the coal industry in Cape Breton and the other by the Leader of the Opposition with respect to the so-called Rand report. The hon. gentleman indicated that he would have to examine the record before he could supply answers to these questions. Is he yet in a position to deal with them?

Right Hon. J. G. Diefenbaker (Prime Minister): I am sorry, Mr. Speaker, but I am not in a position to reply to those questions today. I do not have the information with me.

TRANSPORT

SPRINGHILL, N.S.—REQUEST FOR MAINTENANCE OF RAILWAY SERVICE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Transport, and I apologize for not sending him notice. My question rises out of a decision by the board of transport commissioners to allow the Cumberland Railway Company to abandon its 4-mile railway service from Springhill to Springhill Junction, Nova Scotia. In view of the serious tragedies that have befallen this town would the government consider making this railway a part of the Canadian National Railways system so that the service necessary to the industrial survival and growth of Springhill may be maintained?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I have already received a request to that effect from Premier Stanfield of Nova Scotia. The matter has been under consideration for some time. I have passed along this request to the management of the Canadian National Railways, and no final decision has been arrived at yet.

Mr. Argue: I thank the minister for his reply. I have a supplementary question. Can I take it from the minister's reply that the government itself would have no objection to the C.N.R. taking this course? Can the minister say whether the government has a policy with regard to this four miles of railway line?

Mr. Balcer: Mr. Speaker, this is strictly a decision for the management of the C.N.R. As far as the government is concerned, we always try to do everything for the well-being of our fellow Canadians in any part of the country, and we will keep on doing that.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the Prime Minister a supplementary question. Can he say on what date the government abdicated its responsibility for the acquisition of capital assets by the C.N.R. and transferred it to the company?

Mr. Speaker: Order. The hon. member is putting his question in the form of an assertion. I suppose he did not expect it to be answered.

DOMINION-PROVINCIAL CONFERENCE

INQUIRY AS TO TABLING OF CORRESPONDENCE WITH PREMIERS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I have another question that I should like to ask the Prime Minister. Is he in a position now to table the replies from the premiers to his letter, which he indicated some time ago he would do?

Right Hon. J. G. Diefenbaker (Prime Minister): I have not yet received the consent of the premiers, but I will table them at the earliest possible date. I know the hon. gentleman wants to see the letters, and I would be very glad to let him see them before they are tabled here in a formal way. I can only table them, of course, with the consent of the premiers. If there is anything in them that the hon. member wants to see or that he has in his mind, having preinformation or otherwise, I will be glad to let him see them.

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege affecting every hon. member in this house and the house itself, with respect to the reply which has just been given by the Prime Minister. These letters are in reply to a letter addressed to the premiers by the Prime Minister, with respect to which he did not feel it necessary to get any consent to have it published in this house before, in some instances and indeed as far as I can learn in all instances, it had even been received by the recipients. It was a public letter to which presumably public replies were made, and it does not seem to me appropriate that these replies should be offered to one member of the house and not to the whole house, nor does it appear to me that any consent is required.

Mr. Diefenbaker: Mr. Speaker, I have no hesitation in withdrawing the offer that I made a moment ago in a spirit of amity.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs branch—

55. Administration, $792,099.

Mr. Howard: There was only a moment or two available last evening to make a few brief comments on this matter following the opening statement of the minister. I wonder whether I might be allowed the opportunity to make one or two statements at this stage and pose some questions which might subsequently be answered by the minister, because—

The Chairman: Order. Will hon. members please lower their voices so that we may hear the hon. member for Skeena?

Mr. Howard: Thank you, Mr. Chairman. As I say, I would like to pose one or two questions early in the debate, for they may entail some compiling of statistical information, if only in a general way.

The minister made reference to the alterations which were made a few years ago in the welfare structure, and to the substitution of payment by voucher by payment in cash. The announcement was made in the house on March 5, 1959 with respect to the new standards of welfare. This information is contained in *Hansard* of that day. Five separate classes or groupings were established within which a person might fall in order to obtain certain levels of welfare payments. The standard rate was established on the basis of a single adult at $22; then there were scales classified alphabetically as A, B, C, D, giving

increasing amounts, depending on circumstances and conditions in the particular area in which the welfare payments were being made.

It would be interesting, if this information is obtainable, to get an indication of the number of people who have been on welfare assistance, or who fall within the five separate scales of payment; that is, how many were on standard rates, how many on class A, how many on class B, how many on class C and how many on class D. Perhaps an analysis of that information will indicate that the standard rates are generally applicable throughout the country and that there are very few native Indian people who were able to qualify for the increased payments.

I understand there has been a tremendous increase in welfare payments to Indians. Of course this is a reflection of economic conditions in the nation as well as of other factors, and we all know that one can very easily come to accept welfare payments as a means of subsistence on a long term basis. I think it would be most unfortunate if native Indian people and others should come to feel that their whole livelihood was gleaned from welfare payments by the department. This would tend to sap any initiative that the individual might have and, incidentally, this applies not only to Indians but to non-Indians as well if we can dip our fingers into the public treasury and live on welfare or relief. There are some people in this society who are quite happy and content to live that sort of lethargic life. I think it would be most unfortunate if, because of economic conditions and other factors, our native Indian people should come to believe that their subsistence and income were dependent solely on welfare plus the foodstuffs they may collect on or near their reserve.

As an indication of the effect of the decline in the economy, coupled with the increased welfare payments and the transition or the change-over from a voucher system to a cash system, I hold in my hand one example which shows what can develop as a result. I have copies of a series of letters exchanged between an organization or company known as Robertson's Market in Sarnia and the minister, and between Mr. Robertson and Mr. Patterson, the superintendent of the Sarnia agency, and a Mr. LeRoy in Sarnia also, all dealing with accumulated bills of Indian people and some non-Indians. I understand that bills have accrued in Mr. Robertson's market to the extent of some $5,300. This correspondence has been exchanged over the period of a year or a little more. Mr. Robertson's attempt, of course, is to get either from the Indian affairs branch or from band moneys direct payment to him for these overdue accounts.

[Mr. Howard.]

That, of course, is not the point I want to deal with, because I think his approach to the department in this regard is quite correct; but it does reflect an unfortunate set of circumstances, one in which the Indian people themselves find it necessary to charge up groceries and perhaps other commodities in stores with which they have been dealing. Subsequently, for a variety of reasons, they found themselves unable to pay these accounts. This is not beneficial to the Indians themselves, and it is certainly not helpful to stores like that of Mr. Robertson.

I only raise the point to indicate that I think a more concerted effort should be made to ensure that the native Indian people do not come to rely on welfare payments as their sole means of sustenance, and so that a man like Mr. Robertson will not in the future find himself in the position of having a great amount of credit on his books over a period of time, to such an extent that the continued operation of his business is impaired.

The minister mentioned last night that there is a vote of $100,000 under the Department of Finance, I believe, for housing loans to Indian people as a sort of pilot project, and she indicated that in subsequent years this amount of money, depending on the experience, could very well be increased. I think it would be interesting if the minister could give the committee an understanding of the terms under which these loans will be made. I have in mind the interest rate that will apply, the term of the loan, whether there are any restrictions on the amounts of such loans, and all other statistical information relating to the lending of money and the repayment thereof. Perhaps the minister could make this information available later.

I have in my hand a document published by the Progressive Conservative association of Canada, I believe. It is called "The Record Speaks", and I should like to take the opportunity to make one or two references to it so far as Indian affairs are concerned. On page 11, in dealing with Indian affairs, two statements are made which are not in fact correct. When I say they are not in fact correct that is a polite way to put it, because I will show later that they border on deliberate distortions of fact; or it could well be that Mr. Grosart, who I gather prepared this pamphlet, is really out of touch with the department and the government and is not sure just what is happening. The first sentence under Indian affairs reads as follows:

> For the first time, the right to vote has been granted to all Canadian Indians.

We know this is not so. We know that all Canadian Indians had the right to vote some years ago; that by legislation enacted by

parliament many years ago it was taken away from them and that subsequently—

Mr. Martin (Essex East): A characteristic distortion.

Mr. Howard: Let me tell my hon. friend that it was a Liberal government that took away the right of Indians to vote in the first place.

Mr. Martin (Essex East): It was the Liberals who gave it to them.

Mr. Howard: Was it? I do not want to get into a crossfire with the hon. member for Essex East about Indian affairs because I have very little respect for the Liberal party's approach to this matter. It is a pretty dark and black record.

Mr. Martin (Essex East): I would not want to raise the matter.

Mr. Howard: My friend would not want to raise the matter because what I say applies to the party to which he belongs. Here is another distortion of fact in this document:

> For the first time, a joint Senate-House of Commons committee on Indian affairs was appointed in May, 1959.

This is just not true; it was not the first time. In fact, on May 13, 1946 parliament passed a motion in substantially the same terms as the one passed recently setting up a joint Senate and House of Commons committee. The hon. member for Brant-Haldimand, the parliamentary secretary to the minister, was a member of that committee in 1946 and, if I am not mistaken, the present Minister of National Defence was also a member. In any event these two members of the house were members of the committee established in 1946; but our friend Mr. Grosart says that this did not happen. I do not want to go too far into this matter; I simply wanted to refer to it as a basis for something else.

I remember that a few years ago an Indian gentleman near Brantford accused the hon. lady of speaking with a forked tongue, and I say, of course, that that was incorrect. That was not in fact true, but I am inclined to think that "The Record Speaks" is a record that speaks with a forked tongue so far as these two matters are concerned.

This raises a question in my mind. For many years we have not been too faithful and trustworthy in our dealings with the Indian people. We have destroyed a great deal of the confidence they had in government and in non-Indians. I am sure there is a conscious effort now on the part of the government and every member of the house to bring back that mutual trust, respect and admiration, but the more incorrect distortions of facts such as are contained in "The Record Speaks" are made, the more statements are made that are not in fact true, the more we are doing to destroy the attempt we are making to establish mutual trust and confidence. I am quite sure that if a native Indian were to look at this document and see these statements, which he knows are not true, he would say, "How can I trust this government on other matters in which there has to be trust"?

This is something that is going to become even more important because the fact that parliament has taken the commendable action of giving Indians the right to vote will mean that members of parliament and of political parties, if only for political reasons, will take a greater interest in these people simply because they are a group of voters, and will try to understand more fully the attitudes, feelings and problems of the Indian people. This is beneficial to that extent, and I think it will go a long way toward creating that mutual respect and trust which is so necessary in dealing with our native Indian people.

There are other obstacles which have to be overcome. Over quite a number of years a feeling of resentment against the Indian agent or Indian superintendent, as he is properly classified, has developed among the Indians. Many Indian people have looked upon the Indian agent in the past, and some still do, as a person who is there to prevent them obtaining justice with regard to their demands rather than for the purpose of helping them. They look upon many Indian agents as untrustworthy. It would almost seem as if the Indian is continually at war with the Indian agent with regard to many problems.

As I have said, this situation still exists. It is the result of a number of things, the first being our attitude and our actions toward these people in the past. Second, I think it reflects an attitude on the part of the administration which in itself is a reflection of the attitude of society toward our native Indian people. This situation unfortunately still exists although perhaps not to the same degree as a few years ago. There appears to be a bottleneck within the administration with respect to the flow of ideas concerning the problems of the Indians between parliament itself, the people generally, and the native Indian people.

The Minister of Citizenship and Immigration and other cabinet ministers with jurisdiction over Indian affairs will change from time to time, but as long as we have Indian affairs under federal jurisdiction the administration will remain. It is the attitude of the administration which I think must be altered. As I say, I think the situation is perhaps less difficult than it was a few years ago. I may

be incorrect as to my figures, but I understand that there are 20 or 25 people of native Indian descent who are employees of the Indian affairs branch. This is just a rough guess, but that figure is in my mind. In any event, I have come to the conclusion that this mutual respect which is so desirable does not exist throughout the Indian affairs branch. This again is a reflection of the attitude of society toward the native Indian people. It is extremely unfortunate. I feel that this is one of the key things toward which the Indian affairs branch must work, this trustworthiness and mutual respect, and it must be backed up with proof. Perhaps this condition will continue for the next three years when, I understand, a number of changes will take place which may alter the situation immeasurably.

I think the administration of the branch must exude sincerity toward the Indian people. The Indian agents must exhibit this trust and respect. They must not do so merely by words or fine phrases, but must do so consciously and must give evidence of it by acts. There are a number of instances that take place from time to time which tend to destroy this mutual trust that we are all desirous of building up in the Indian affairs branch.

I should like to refer, if I may, to the matter of land in British Columbia. I did not raise this subject at an earlier time because, unfortunately, I did not have in my possession a particular document which I have since received and to which I should like to refer. If I may be permitted to make a slight reference to something that happened earlier, I would say that this house endorsed a bill repealing section 112 of the Indian Act. This was commendable. The thought was that if these Indian bands were to become enfranchised as entities they would move in the direction of becoming either municipalities under provincial structure or something akin to a municipal corporation. This was the end which I believe the minister and others had in mind some years ago when this provision was instituted. In fact there is still a reference in the act to the understanding that the application of such a band for enfranchisement is coupled to whether or not they will be operating as a municipality.

We have such a request from a village in my riding, from the Metlakatla. This request was made six or seven years ago. There was a committee of inquiry established under section 112, and that committee recommended against the request. I understand from the Indian people that their main objection to proceeding with enfranchisement was the question of lands formerly owned by the provincial government. This was what prevented this band from moving toward closer ties with our non-Indian society in the municipal and sociological field. I have here a copy of order in council No. 1036, approved and ordered on July 29, 1938 at the executive council chambers in Victoria. There is a list of the members of the cabinet who were present at that time, and incidentally they were Liberals. Part of this order in council deals with certain B.C. lands and, under the Indian affairs settlement act, transfers that land to the federal government in trust for the Indians. This is the key point, as I understand it, and is what prevented the Metlakatla band from proceeding toward enfranchisement and becoming something akin to a municipality.

The order in council reads in part as follows:

> —subject to the condition that in the event of any Indian tribe or band in British Columbia at some future time becoming extinct—

Of course if they became enfranchised they would become extinct as a band. They are the same people, but they are not a band within the meaning of the act.

> —that any lands hereby conveyed for such tribe or band, and not sold or disposed of as heretofore provided, or any unexpended fund being the proceeds of any such sale, shall be conveyed or repaid to the grantor—

What would happen under that provision would be that the Metlakatla band, if it became enfranchised, would lose its lands because they would revert to the province and become provincial lands. It was the refusal of the Social Credit administration under the former minister of lands and forests, Mr. Sommers, to change this order in council that led the Metlakatla band to say, if we become enfranchised we lose everything. What do we do? Do we step out of our village into the "saltchuck", and then where are we? We thought enfranchisement would mean that we would keep the lands. It was primarily because of this order in council that the Metlakatla enfranchisement question was subsequently rejected by the Metlakatla people themselves.

I say this order in council will be a barrier to any Indian band in British Columbia desiring enfranchisement as a band, regardless of the provisions in the Indian Act. Until there is a change made, this barrier will remain. There are other barriers with respect to land which are preventing and will continue to prevent any clear or definite approach toward the desired mutual respect and trustworthiness, the admiration of one group of people for another, as a step toward integration.

There was one other thing which happened in British Columbia which tended to destroy this hope that the Indian people had for trust

in the government. I refer to another village in my constituency, that of Kitwanga. Part of this reserve is traversed by highway No. 16. The provincial government desired to relocate that section of highway No. 16 which passed through the reserve. This was an example of callous disregard for the rights of people if ever one existed. The correspondence in this regard was tabled pursuant to a motion of mine, and I should like to make reference to one or two letters if I may.

This is an example of the slight regard of the minister of highways of British Columbia for the Indian people, for their rights and their property. His action again tends to destroy what we are working toward in the field of mutual respect. This is a copy of a letter from the department of highways of British Columbia to Mr. W. S. Arneil, the Indian commissioner in Vancouver, dated April 2, 1959. I shall not read it, but it advises that the department contemplates widening the road through this particular village. The last paragraph of the letter reads:

> One behalf of the department of highways, I am instructed to make formal application for entry to undertake the proposed reconstruction work within the above mentioned Indian reserves.

According to a subsequent letter, and before the formal application could be dealt with, we find that the department of highways moved on to the property, uprooted the timber and destroyed it, along with everything else. There is a letter dated April 17 from Mr. Arneil to the department of highways in which he says:

> Work on this section of the highway, we understand, has already proceeded, the slashing work apparently now almost completed. Without specific approval of the band council for entry onto the reserve we anticipate some difficulty in negotiations.

I expect they would anticipate some difficulty in negotiations. I well know that Mr. Gaglardi has not too much respect for the law as long as he has his way. It is unfortunate that this invasion occurred, and it is unfortunate that the Indian affairs branch sat by and did not act quickly to prevent it or to prevent the destruction of the timber, the removal of the gravel and so on. The Indian people look to the Indian Act for some protection. It states that a person shall not trespass on a reserve, and if he does so he is committing an offence. In this instance they found no protection in the Indian Act, and no protection in the Indian affairs branch. They found nothing except a desire to negotiate and consummate the sale or surrender of that land after it had been taken by the department of highways. This is not doing much to assist in mutual understanding and the move toward integration.

I have a copy of a letter that was addressed to the Minister of Justice. In it accusations are made that the Indian agent in that agency attempted to put pressure on the council and certain members of the council, by means of threats of cutting off welfare and the like, in order to influence them not to negotiate in too difficult a way or on too hard a basis with the provincial government of British Columbia, and to make surrender of the land without too much trouble.

This information was communicated to the Minister of Justice on December 14, 1960. As far as I know, no action has been taken by him in that regard. As a consequence the rights of the Indian people in their land at Kitwanga reserve have just been pushed aside. If ever any people in Canada are covered by the bill of rights it is the Indian people, because they are the ones who are mentioned as a separate group of people coming within the jurisdiction of the federal government. Obviously the bill of rights means nothing as far as their land is concerned.

This sort of thing has been going on for many years. Unfortunately, whatever steps we may be taking toward integration, acculturation, understanding and asking them to trust us again in our dealings with them; no matter how many steps we may take in that direction, attitudes like this which have developed over the years in the Indian affairs branch, actions like those of Mr. Gaglardi, the minister of highways in British Columbia in invading that area, and the failure of the department or of the Minister of Justice to take some action to protect the rights of these individuals and their property, will do more to destroy the moves toward mutual trust that we are trying to develop than anything else. We are working at cross purposes unless we can implant in the mind of every member of the cabinet the fact that it is necessary to move in this direction of mutual desire.

The Chairman: Order. I am sorry to interrupt the hon. member, but I must inform him that his time has expired.

Mr. Winch: First of all, Mr. Chairman, may I express my appreciation to those sitting on the government benches and in the official opposition for being allowed to follow the hon. member for Skeena at this time, owing to my having made a commitment several weeks ago to speak this afternoon at a seminar in Niagara Falls on the subject of my experience at the United Nations and in international affairs. I greatly appreciate that courtesy.

I desire to speak on this administration vote for the Indian affairs branch for one reason only. May I say that I fully appreciate

the fact that there was last session, and there is this session, a special joint committee of the other house and the House of Commons on Indian affairs. What I want to discuss is a matter which I feel is of such great importance that it goes beyond a study of Indian affairs by a joint committee of the other house and the House of Commons.

Through you, Mr. Chairman, I should like to ask whether the minister in charge of Indian affairs in her time in office has had an opportunity to review the sale of Indian lands over a period of, for instance, 40 years. I refer in particular to the province of British Columbia, and ask whether any thought has been given not only to the studies being made by a special joint committee but to a judicial inquiry to decide whether or not the Indians in British Columbia have been robbed—and I deliberately use those words "have been robbed"—on the sale of land. Has any thought been given to a judicial inquiry into the question of whether an agreement made in 1912 is still in effect or has a bearing on the sale of reserve land nominally held by the Indian bands of British Columbia?

May I at this time through you, Mr. Chairman, and the minister also express my thanks to the director of Indian affairs, who in past weeks has been most courteous and helpful to me in trying to obtain copies of official records. It is only through his courtesy and co-operation that I was able to locate a copy of the proceedings of the royal commission on Indian affairs, volume 1, in 1916, which provides the basis upon which I am making my remarks here this morning.

It is my understanding that prior to 1912 Indian reserves were established and lines of demarcation were set, and that those Indian reserves were the property of the Indians of British Columbia. However, a royal commission was established in 1912 on which was a Mr. McKenna, representing the government of Canada. As a result of this royal commission an agreement was reached in 1912 which is now known as the McKenna-McBride agreement, McKenna being the commissioner representing the government of Canada and McBride the premier of British Columbia.

I was most interested in noting that an order in council was passed on November 27, 1912 and that according to the terms of this order in council, the agreement reached between McKenna and McBride was not to be submitted to the legislature of British Columbia or to the parliament of Canada but was to be decided upon by the government of Canada and the government of British Columbia. I have not yet been able to locate any act of the legislature of British Columbia or any act of the parliament of Canada relative to changes that were made regarding reserve lands. I say that I have not yet located any acts of parliament, but they may be in existence. I do not know; I have not found them yet. All I have at the present time is this order in council passed in Ottawa on November 27, 1912, by which the government concurred in the McKenna-McBride agreement.

You may ask, Mr. Chairman, why this is disturbing and why I ask whether the minister is considering, has considered or will consider, in addition to the study being made by the joint committee, a judicial inquiry to determine whether or not the Indians of British Columbia have been robbed of their lands because of the McKenna-McBride agreement of 1912.

The McKenna-McBride agreement is quoted in the report of the royal commission on Indian affairs, 1916, volume 1. I will read the agreement in part. I will read all that hon. members require, but this is what it says in part, dealing with reserve lands. The commission had the power to add, if they found it proper, or cut down the reserve lands. This is the agreement on how they could cut down the lands which had previously been granted and accepted as being the property of the Indians of British Columbia:

> Memorandum of an agreement arrived at between J. A. J. McKenna, special commissioner appointed by the dominion government to investigate the condition of Indian affairs in British Columbia, and the Honourable Sir Richard McBride, as premier of the province of British Columbia.

Then the agreement continues:

> (a) At such places as the commissioners are satisfied—

I stress those words "the commissioners are satisfied":

> —that more land is included in any particular reserve as now defined than is reasonably required for the use of the Indians of that tribe or locality, the reserve shall, with the consent of the Indians, as required by the Indian Act, be reduced to such acreage as the commissioners think reasonably sufficient for the purposes of such Indians.

I would like this to be noted; it is in the report:

> 4. The lands which the commissioners shall determine are not necessary for the use of the Indians shall be subdivided and sold by the province at public auction.
>
> 5. The net proceeds of all such sales shall be divided equally between the province and the doimnion, and all moneys received by the dominion under this clause shall be held or used by the dominion for the benefit of the Indians of British Columbia.

That is the McKenna-McBride agreement, which was agreed to by order in council in Ottawa and by the lieutenant governor in council in British Columbia. I would like to point out first of all that these lands had been

granted by law as the reserve lands of the native Indians of British Columbia. I know it is a long time back, but I can assure the minister through you, sir, that I have travelled across British Columbia for 27 years and I know the Indian lands, Indian bands and Indian people. Right to this day they feel that over the years they have been robbed on land sales.

One point is this; that in 1912, although they already held reserves by right and by law, a decision by a commission and approved by order in council held that any lands which the commission decided were not required by Indian bands would be sold by auction by the province, the province to retain 50 per cent of the moneys and the federal government to receive 50 per cent and distribute it to the bands. In my studies I have found that in all sales the federal government has, under the order in council, distributed this money to the bands. But I am certain you will understand what is causing this feeling on the part of the Indians that they have been dealt with unfairly. This is because 50 per cent of the money goes to the province after the sale of their own lands, and no distribution is made to the Indians. If these were Indian lands and by agreement they were to be sold by auction, why should only 50 per cent of the proceeds go back to the Indians? These lands were all theirs originally by law, and certain parts were allocated for reserves.

As I say, this was in 1912. One half of this volume 1 outlines the lands declared surplus. Was it all handled that year? The answer is no. I have not had time to study how this matter has developed since 1912, but I wish to show what happened in one instance. There was a report agreed to by order in council in 1912 concerning Indian reserve lands. Order in council No. P.C. 48/2838 was passed in Ottawa on September 26, 1939. I would like to place this order in council on record:

> The board had under consideration a memorandum from the honourable the minister of mines and resources reporting:
>
> "That pursuant to the report of the royal commission on Indian affairs for the province of British Columbia, a portion of Capilano Indian reserve No. 5, of the Squamish band, Vancouver agency, province of British Columbia, was cut off the reserve;
>
> That the McKenna-McBride agreement of 1912 provided that reserves or portions of reserves so cut off were to be sold by the province at public auction, and that 'the net proceeds of all such sales shall be divided equally between the province and the dominion, and all moneys received by the dominion under this clause shall be held or used by the dominion for the benefit of the Indians of British Columbia';
>
> That in 1936 the province of British Columbia disposed of a portion of the cut-off area in the Capilano reserve to the First Narrows Bridge Company for a net sum of $6,048 and remitted $3,024, being 50 per cent, to the Receiver General of Canada, which was placed in the capital account of the Squamish band, and
>
> That the council of the Squamish band, in a resolution dated April 25, 1938, requested that 50 per cent of the dominion's share be distributed to the members of the band on a per capita basis, as provided by section 92 of the Indian Act.
>
> The undersigned, therefore, recommends that he be authorized to approve a per capita distribution of 50 per cent of the moneys received from the province to the Indians of Squamish band, as provided under section 92 of the Indian Act."
>
> The board concur in the above report and recommendation, and submit the same for favourable consideration.

There was the McKenna-McBride agreement in 1912 under which what were previously Indian lands were dealt with. Under the orders of the commission, according to all the plans submitted in this report, lands could be cut off and sold by the province at auction, the province to receive 50 per cent of the sale moneys and the federal government to receive 50 per cent. The federal government distributes its share, but since 1912 the Indians have received nothing with respect to the 50 per cent return on the sale of land that goes to the province of British Columbia.

I used an order in council passed in 1939 as an illustration. Although the order in council enumerates the relevant sections of the agreement, it does not say that the land cannot be sold without the consent of the band. I have previously expressed appreciation to the minister for the work of the director of Indian affairs. A few days ago I asked the director if he would try to find for me the authority for the consent of the band in this particular case. I am convinced that if it had been found I would have been advised by this date. It is felt that the Indian agent exercises authority in these sales.

I will not speak at great length, but I do want to emphasize this point. Although this problem goes back to 1912, it is a source of disturbance to the Indians of British Columbia. I have had only a few weeks in which to study the matter in addition to dealing with all the other problems which confront a member.

On the basis of my examination of the royal commission report on British Columbia Indian affairs, on the basis of the agreement, and on the basis of the type of order in council passed with respect to reserve land sales in British Columbia, I am definitely of the opinion, unless evidence to the contrary is produced, that the Indians have ground for complaint. I question the legality of the way in which this matter has been handled, and am of the opinion that the Indians of British Columbia have been morally, if not legally, wronged in the sale of their reserve land. I am interested in learning if the agreement

is still law and if any other reserve lands belonging to British Columbia Indians can be auctioned, in respect of which they will receive 50 per cent return through the federal government but will lose 50 per cent through the provincial government.

I raise this matter because it is important, and I realize that the minister may not have had time in her brief term in office to study the problem. I believe the hon. lady will appreciate why I think it should be the subject of a judicial inquiry, and I hope she will offer some comment on the situation.

Mrs. Fairclough: Mr. Chairman, perhaps I should deal first with the questions which were asked last evening by the hon. member for Bonavista-Twillingate, when he inquired as to the estimated expenditures for Indians on a per capita basis.

Based on the present population figure of 185,295 and the total estimated expenditure for 1961-62 of $49,421,488 for the Indian affairs branch, the per capita expenditure would be $266.72. In order to achieve a more realistic figure, additional expenditures on Indians by the Indian and northern health services of the Department of National Health and Welfare and also expenditures on Indian education in the Northwest Territories by the Department of Northern Affairs and National Resources would have to be included.

I am informed that it is proposed to spend $19,500,000 on Indian health in 1961-62. This would involve an additional $105.24 per capita expenditure. I understand that the education of Indian pupils in the Northwest Territories will involve an expenditure of $2,285,127. On a nation-wide per capita break-down this amounts to $12.33. Therefore the total proposed per capita expenditure for 1961-62 would amount to $384.29. I remind hon. members that this figure does not include old age assistance, family allowances and other such social benefits of general application available to citizens of Indian status on the same basis as others.

The hon. member also asked for a report on some of the areas of regular employment in which Indians are moving, particularly in frontier areas. In British Columbia substantial numbers of Indians are employed in the logging and pulpwood industries. The department has established liaison with several companies which are planning new pulpwood and power projects, and expects these to provide additional job opportunities.

There were 128 Indians placed this year on clearing work for the microwave system along the Alaska highway. At Masset, British Columiba, 80 Indians are employed for nine or 10 months of each year in the local cannery. In the Yukon, clearing operations in connection with road construction included one project at Watson Lake last winter which employed 100 Indians, and there is a similar project at that location this winter. In the Northwest Territories, at Yellowknife, a similar clearing project is currently employing approximately 100 Indians. Indians are also employed as school janitors and in other capacities by government departments. In Alberta over 160 Indians have been employed in clearing the right of way for a north-south pipe line, and this work is continuing.

These examples concern construction work largely. In Manitoba there have been similar projects at Cormorant lake and at Thompson. Currently over 100 Indians are employed at the Grand Rapids power development. These programs give them experience in wage employment which prepares them for other job opportunities as they occur. At Island Lake, Manitoba, a fish filleting plant provides wage employment for over 50 Indians for three to four months each summer. Many Manitoba Indians are employed by the railways as section hands and section foremen, and this also applies in northern Ontario.

Mining operations in northern Ontario provide employment to a considerable number of Indians in the Red Lake district. At Pickle Crow, Ontario, there are some 50 Indians employed as miners and on surface work. At Sudbury 25 were placed last year. Highway construction for a new iron ore development in Nakina agency employs 30 Indians. A sulphuric acid plant established on the Serpent river reserve No. 7 in the district of Algoma has employed approximately 20 Indians. At Schefferville, Quebec, although the work force was substantially reduced last fall, 35 Indians were retained on the payroll out of approximately 125 employed. Many of the others are employed periodically on a day basis.

The foregoing presents a few examples of instances where groups of Indians are being employed on construction projects, particularly in the north. Smaller groups are making the adjustment to industrial employment. This is not a complete list, nor does it include mention of those individuals who have moved into steady employment under the permanent placement program.

This morning the hon. member for Skeena asked some questions and made some comments to which I should like to reply. He asked me whether I could give him the number of persons receiving welfare payments in each of the five categories, as set out in the statement made a year ago. We do not have these figures; I presume it would be possible to procure them, but I am told by my officials that it would entail two months work to do so. I doubt very much whether the answer would be sufficiently valuable to

the hon. member to warrant that expenditure of time and money. He also asked me about loans for housing which would be made from the $100,000 fund which appears in the vote to come up shortly, namely vote No. 480. With the agreement of the committee I will answer it now. The interest rate is 5 per cent simple interest for a period of 10 years. Although that is the ceiling, the period can be extended. The maximum amount permissible for a single loan is $5,000.

I must say my hon. friend is misinformed with reference to the number of Indians employed by the department. Altogether there are 255 Indians in the employ of the Indian affairs branch, 123 of whom are teachers. The others are employed in various categories, clerical and administrative jobs, superintendents and assistants, constables, caretakers, stenographers and typists and one classification of all other types of employment.

Mr. Pickersgill: What is the total number of all employees of the Indian affairs branch?

Mrs. Fairclough: The number is 255, 132 general staff and 123 teachers.

Mr. Pickersgill: No; those are Indians, are they not?

Mrs. Fairclough: Yes.

Mr. Pickersgill: I mean, what is the total number of employees in the department?

Mrs. Fairclough: I see. I will get that figure for the hon. member. I might say that it is the aim of the department to employ these people whenever we can, and we do hope that as time goes on more and more of them will enter into the employ of the department. Altogether the number employed is 2,494. So you see that something just over 10 per cent of our staff are Indians.

The hon. member for Skeena made reference to the Kitwanga Indian band and the difficulties they are having with reference to the road which British Columbia is building in that area. First of all I might say that under the terms of the agreement with the province with respect to this land, the province has the right to take back 5 per cent of unimproved land for road purposes without any compensation. Of course the hon. member knows they have taken more than that, and we agree that the situation is not what it might be. At the present time we are in the process of negotiations with the province, and we have hired an independent appraiser to evaluate the property which has been taken.

Mr. Howard: The minister said that by virtue of the agreement they have they can take up to 5 per cent without compensation. Can the minister indicate what this agreement is or when it was consummated?

Mrs. Fairclough: The reserves were conveyed to the dominion by the province of British Columbia by a minute of the executive council on July 29, 1938. By that minute the province retained the right to resume unimproved land, to the extent of 5 per cent of the area transferred to the dominion, for roads and other public works, without payment of compensation. Therefore, in the case of the Kitwanga reserve No. 1, the province may resume approximately 165 acres of unimproved land and approximately 10 acres in the case of Kitwanga reserve No. 2.

Mr. Winch: That action was taken by executive minute, not by an act of the legislature? It was an executive council minute?

Mrs. Fairclough: The hon. member is quite right.

Mr. Winch: I am sorry to bother the minister, but does the minister, or do her advisers, know of any authority of the federal government whereby a provincial government can take over reserve land under an order in council and not by an act of the legislature? Is that authorized by the federal government, which has the responsibility for Indians?

Mrs. Fairclough: This was done under the terms by which the reserves were turned over in the first place.

Mr. Winch: In other words we are back to the McKenna-McBride agreement?

Mrs. Fairclough: No. I will give the hon. member a fuller explanation in reply to his question.

With reference to the matter raised by the hon. member for Vancouver East, this is as he has indicated. The director and the department have been spending a considerable amount of time in research, delving into the questions he has raised and the conditions under which these reserves were changed in the first place. His first inquiries to the department, or his main inquiry, had to do with Capilano Indian reserve No. 5. Before dealing specifically with that reserve I think possibly some background information applicable to all reserves in British Columbia might be helpful. I should say that this information is going forward to the hon. member in a letter from the director. I assume by his remarks he has not received it, but it is in the mail and should be on his desk now. However, it is interesting information and possibly I might make it available to the committee.

The British North America Act assigns legislative authority over Indians and lands reserved for the Indians to the dominion. Article 13 of the terms of union under which British Columbia entered

confederation recognized the dominion's responsibility for Indians and Indian lands, and British Columbia undertook to convey to the dominion tracts of lands for the use and benefit of the Indians. Differences soon arose between the two governments as to the fair per capita acreage of reserves and in 1876 the two governments set up a joint commission to allot reserves.

The agreement constituting the joint commission and subsequent provincial legislation created legal and administrative difficulties with respect to dominion management of reserve lands. With a view to achieving a settlement of the difficulties, negotiations continued with the province which resulted in the McKenna-McBride agreement of September 24, 1912. The agreement provided for the appointment of a royal commission empowered to bring about "a final adjustment of all matters relating to Indian affairs in the province of British Columbia". The royal commission's terms of reference extended to the adjustment of the area of reserves with power to add to, and subtract from, the area of existing reserves and to allot new reserves, it being provided that reductions in area would be "with the consent of the Indians, as required by the Indian Act". The agreement also provided that 50 per cent of the proceeds from the disposal of any cut-off lands would be paid in trust for the benefit of the Indians.

The royal commission completed its work in 1916 and in brief confirmed existing reserves, added to reserves, reduced reserves and created new reserves. The commission's report with schedules of reserves confirmed by the commission was accepted by orders in council of both governments, by British Columbia in 1923 and the dominion in 1924.

The hon. member asked as to what reserves were affected and so on. The schedule attached to that commission's report will give that information.

Legislative authority for acceptance of the royal commission report by the dominion was provided by the British Columbia Indian Lands Settlement Act, chapter 51, statutes of Canada, 1920.

I must say here that the hon. member has been talking about so many things being done by order in council, and I draw his attention to the fact that this was an act of parliament.

Mr. Winch: In 1920, was it?

Mrs. Fairclough: Yes.

Mr. Winch: This was agreed to in 1912.

Mrs. Fairclough: The actual legislative authority was in 1920.

Mr. Winch: I have the orders here, and I should like to know how the governor general in council and the lieutenant governor in council in British Columbia could pass such an order in council when they did not have authority until 1920.

Mrs. Fairclough: I do not know which orders in council the hon. member is referring to, but the orders in council to which my attention was drawn were those passed in 1923 and 1924.

Mr. Winch: There was one passed in November, 1912, in Ottawa and also one passed in British Columbia.

[Mrs. Fairclough.]

Mrs. Fairclough: I believe that established the commission. Perhaps I might be permitted to go on and finish.

Section 1 of the act empowered the governor in council to give effect to the report of the royal commission "in whole or in part". Section 3 of the act dispensed with the necessity of securing Indian consent to the reduction of area of reserves by providing:

"For the purpose of adjusting, readjusting, or confirming the reductions or cut-offs from reserves in accordance with the recommendations of the royal commission, the governor in council may order such reductions or cut-offs to be effected without surrenders of the same by the Indians, notwithstanding any provisions of the Indian Act to the contrary."

There was considerable discussion in the House of Commons in 1920 when the bill was debated and the then minister outlined the problems relating to Indian lands in British Columbia and the reasons for the legislation.

As far as Capilano Indian reserve No. 5 is concerned, it was confirmed by the 1876 joint commission on June 15, 1877. The joint commission confirmed the original reserve together with an additional parcel of land. In 1892 it came to light that the province had made a grant of part of the land added to the reserve in 1877. The reserve was then re-surveyed and the commission on April 24, 1893, reconfirmed the reserve with an area of 444 acres.

The royal commission appointed pursuant to the McKenna-McBride agreement reduced the area of Capilano reserve by cutting off 130 acres. However, commission minute of decision gives no reason for the reduction. It is assumed the commissioners were of the opinion the remaining land was adequate for the needs of the band at the time. The Squamish band, for whom the reserve was set apart, as far as we know without going into extended research, never consented to the reduction. It is unlikely that consent was sought in view of the provisions of the British Columbia Lands Settlement Act and the fact that the report of the royal commission which recommended the reduction was accepted.

In other words, by reason of the law of 1920 consent by the band was not required.

In accordance with the agreement arrived at the band is entitled to 50 per cent of the proceeds from either the rental or sale of the cut-off land.

As I have said, this information is in the mail to the hon. member. No doubt he will want to study it further, and if there is any further information we can give we will be very happy to do so.

Mr. Winch: I appreciate very much the length to which the minister has gone in dealing with the problem I have raised. However, I presume that the administration item will go through today; therefore this is the last opportunity I will have to speak on this matter. I should like to ask the minister two questions. I understood her to say that from the records it is shown right in the order in council to which I made previous reference that the Squamish band never did give permission for the sale of this land.

Mrs. Fairclough: Not so far as we can tell. Without a great deal more research we could

not say definitely, but it does not appear that they did. However, as I pointed out to the hon. member, according to the conditions set out in the act passed in 1920 such consent was not required.

Mr. Winch: That is quite true according to the act of 1920, but according to the McKenna-McBride agreement of 1912 the Indians had to give their permission in accordance with the Indian Act for the province to be able to sell this land. The minister has now confirmed my contention that perhaps there should be a judicial inquiry into this entire matter.

Second, in view of the obvious study the minister has been making since I started to make inquiries about this matter—and she obviously knew, of course, that I would raise it under this vote—has the minister given any consideration to the moral right of anything being passed provincially or federally, legislatively or by order in council, which says that the Indians will only get 50 per cent of the value of the land disposed of? Admittedly the federal government pays the 50 per cent to the Indians, but is the minister in a position to comment as to the other half and the fact that the Indians only get 50 per cent and not 100 per cent of the value of the land sold?

Mrs. Fairclough: Obviously I am not in a position to make any comment. All of this happened a long, long time ago. I know that over the years the Indians have suffered under various acts of all governments, but I have no basis on which to form a judgment. I would not accuse anyone of mistreating Indians, nor would I accuse the Indians of demanding more than is their just right.

With respect to the McKenna-McBride report I would say to the hon. member, however, that the 1920 act superseded that, and it must be borne in mind that not only were lands taken away from the Indians but areas were also added to existing Indian reserves at that time. There was some compensation. Whether an individual band received compensation for the land it lost I cannot say, but in any event I will agree with the hon. member to this extent, that over the years undoubtedly things were done that should not have been done. I cannot, however, sit in judgment on anyone who participated in those actions.

Mr. Winch: I know it is now one o'clock, but I have only one short question and I would ask the committee to permit me to put it. Can the minister give me any information on this factor? Although we have the McKenna-McBride agreement of 1912 and the act of 1920, the fact remains that an order in council was passed in 1939 relative to sales. Are there are any lands still held by Indians in British Columbia that can be sold or disposed of under the McKenna-McBride agreement?

Mrs. Fairclough: We would have to check the schedule to the agreement to which I referred previously.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Wratten: Before I bring one or two points to the attention of the minister, I should like to take advantage of the opportunity to thank the minister and the officials of her department for the many courtesies they have shown me since I have been here and since the hon. lady has been minister. I should like to refer, first, to a problem which I have mentioned in the house many times before relating to the council for the administration of justice on the Six Nations reserve in Brantford. I know that the administration of the courts is a provincial matter, but I was interested this morning to hear the minister say that many years ago the federal government accepted responsibility for the reserves in Canada.

As I have stated before, the Six Nations reserve is in the county of Brant, the smallest county in the province of Ontario, and it is one of the largest reserves in Ontario. It does seem unfair that the people of the city of Brantford have to assume the costs in connection with county magistrates and supreme courts as they relate to Indians without any remuneration from the federal government. The federal government should help us out in connection with this matter, especially in these days when every municipality is looking for some way to ease the taxation burden on the people. We feel that this is one place where the federal government should step in and help us. I do not want to belabour this point because the minister is familiar with the figures. We have had them placed on the record before. She knows just how we feel about this matter.

There is another problem that has come up since I last spoke on the problems of Indians. I refer to the problem of policing the Six Nations reserve. I recall that quite a few years ago there was an agreement drawn up under which the Royal Canadian Mounted Police were to look after police matters on the reserve. Unfortunately, since we had the so-called riot on the reserve, the Royal Canadian Mounted Police have been gradually shifting the burden of looking after police matters to the provincial

police. In my opinion this is not the way police matters should be administered in so far as the reserve is concerned. If the Royal Canadian Mounted Police are going to maintain a detachment of three or four men on the reserve to look after police matters, then they should do so and not pass on the calls to the provincial police. The Brantford city detachment of the provincial police is 12 to 14 miles from the centre of the reserve, and as a result the people on the reserve are not receiving adequate police protection when the provincial police are called. I wish the minister would look into the matter of the agreement between her department and the Department of Justice in order to ascertain just what the duties of the Royal Canadian Mounted Police are on this reserve. If they are supposed to be maintaining law and order then they should be ordered to do it instead of passing the job on to the provincial police.

There is one other important point I should like to bring to the attention of the minister. Newspaper reports would lead me to believe there has been some progress made in connection with this subject of fire protection on the reserve. Since I mentioned the matter last June there have been several fires on the reserve, in one of which four children were burned to death, and in another one person was burned to death. The Brantford city fire department is very efficient, as is the township fire department. These departments are fire prevention conscious and they have asked me to draw to the attention of the government the need for some firefighting equipment located on the reserve. I know that the chief of either of these fire departments would be glad to give advice on the establishment of such a department. I do not want to belabour this point because I do know some investigation has already been conducted into the matter. However, I do believe that for the sake of the safety of the people who live on the reserve we should go ahead quickly and establish fire fighting equipment on the reserve.

That is all I have to say at this time, Mr. Chairman.

Mr. Nielsen: Mr. Chairman, I, like the hon. member who has preceded me, should like to extend my grateful thanks to the minister, to the director of the branch and to his staff for the very generous measure of assistance and co-operation they have given me during the past year. I should like to commend the branch particularly on the enlightened view that they have taken of the various suggestions which I have made from time to time and which have been of particular help to the Indian people in the Yukon. In this connection I should like to mention the suggestion which I advanced last year concerning the construction of a road from Watson Lake to Ross river which resulted in employment for well over 100 Indian people in the Yukon for some four months. The same work continues this year.

I should like also to commend to the minister her staff at Whitehorse. There has been a substantial and noticeable improvement in the administrative quality of the personnel in the Whitehorse office. The superintendent there is a very dedicated person and I think the minister would go a long way before she would find someone who would be of such a high standard. There is, however, still a large gap in the staff at Whitehorse, a gap that will exist until a placement officer is found for the Yukon.

The minister will recall that I first brought this matter to her attention on March 12, 1959. Since that time I understand one competition has been held by the civil service but some difficulties were encountered and the position was not filled. I noted with interest in the minister's opening statement that a placement officer had been found for Prince George. I understood the original intention was that the placement officer for the Yukon agency was also going to cover this area as well. Perhaps she could clarify this matter if I am wrong. Perhaps she could also give me some idea as to when the placement officer will be found to occupy that position in the Yukon because there is a substantial need for one there.

In keeping with the compliments which I paid to the minister for the increased tempo of the work of the branch in the Yukon, I note with much satisfaction the figures for expenditures which have been made in the Yukon over the past three years. I understand that in 1956-57 the total expenditures in the Yukon were $224,250; in 1957-58, $350,984; and in 1958-59, up to March 31, 1959, $543,231.22. I should like the minister to bring me up to date on that last figure, to give me the figure for the complete fiscal year of 1958-59 and also the current figure for 1959-60 as far as it is possible to do so. From the figures I have been able to obtain it would appear that the expenditure from 1956 to date has more than doubled on an annual basis, something which is exceedingly gratifying to me.

In her opening remarks the minister also mentioned the grubstaking of trappers. I had not been fully aware of the fact that this was the policy of the branch and I should like her to tell me to what extent this policy of grubstaking trappers has been applied with regard to Yukon Indian people. While she is answering that question perhaps she might

also tell me whether this policy would extend to those Indian people in the Yukon who are engaged in prospecting for minerals.

I wish once again to dwell on an issue which I think should occupy the concentrated attention of the branch. I have said before that in the Yukon territory there are no reserves established for the Indian people. This situation has not changed. In every other jurisdiction in Canada the Indian people either have established Indian reserves or they have been paid in cash or kind in lieu of reserves being set aside for them. As the minister knows, the policy in the Yukon is for land to be set aside for the use of the Yukon Indian people by order in council, but these orders in council are flexible things and what is made an order in council today may next month cease to be an order in council or it may be varied.

During the construction of the Teslin airport or the enlargement of Teslin airport, for instance, under the past administration, the Indian reserve at Teslin was varied to the extent that reserve occupied land set aside for the use of Indians in that area was reduced in size in order to obtain for the Department of Transport sufficient land to accomplish their enlargement program. I do not think this procedure really is good enough. It certainly does not provide any too much long range security for the Indian people as to what they can regard as their own land. Again I should like to ask the minister or her officials to give this problem their concentrated attention. I feel that either the Indian people in the Yukon should have established entitlement to land, on an acreage basis if you will, so that they can look forward in the future to sharing in the resource discoveries as do the Indian people in other provinces or should be given something in lieu thereof.

I really do not know what the reason was for establishing reserves in the first place except that perhaps it may have been to satisfy the Indian people in the early days of settlement to the extent that they would be guaranteed a permanent and exclusive place in which to live, to farm, to raise livestock and so on. But, perhaps because of the small number of Indian people in the Yukon, this policy was not followed up there, historically. The fact remains that they have no land which they can call their own. They are the only Indian people in the whole of the Dominion of Canada who have not either been given land that they can call their own or payment in cash or kind in lieu thereof.

Passing to the education of the Indian people in the Yukon, I would once again urge the minister to co-operate with her colleagues in other federal government departments, particularly the Department of Northern Affairs and National Resources, to establish vocational training facilities for the Yukon Indian children. I am aware of the fact that the Indian affairs branch has an on the job training policy whereby the young Indian people can obtain employment with an employer and the department pays 50 per cent of the wages that are usually paid to the apprentice or to the learner in the trade during the months that he is an apprentice. I believe this policy extends to a six months' training period. However, I am just wondering how far it would go, for instance, if an Indian boy wanted to become skilled in the trade of electrician or plumber. These are questions that have often been asked.

Incidentally, may I say that I have referred some of these applicants or proposed applicants of Indian parentage who wished to obtain on the job training to the territorial government authorities who have informed me that they have no knowledge of any agreement existing between the territorial government and any federal government department with regard to on the job training. I do not think this is so. I think that the on the job training policy of the Indian affairs branch applies equally to the Yukon Territory and to any other jurisdiction in Canada.

May I also suggest that the Indian affairs branch policy in this regard be extended so that an Indian youth who, for instance, wishes to take training on a caterpillar tractor, a crane or a shovel or heavy equipment of that nature, may be encouraged to undergo training with some of the local contractors in the construction business during the winter season when their equipment is not working and when it could be gainfully and usefully utilized in the training of Indian boys. This is not training in a skill in the sense of one becoming an electrician or a plumber. But it does make for training operators of heavy equipment who would be available in the local labour pool when the seasonal construction of roads and the like commences in the spring and summer. I forget which hon. member on the other side of the house mentioned the desirability of retaining this native labour pool in the north. In my view this is one manner in which this could be accomplished.

I also wonder whether the minister would enlarge on the policy, if there is one in the branch, which provides similar training for girls. Indian girls are as much in need of this type of vocational training as are Indian boys. Now that there is a rather complex health and welfare administration set up throughout the north, I wonder just how far the branch could go in encouraging this type

of training among the Indian girls. I wonder whether they could establish a policy of taking them into established hospitals and training them as nursing aids, and even at this point encouraging them, and perhaps even establishing scholarships for this purpose, to take nursing training so that they could return to the north and not only make a good living but set an example for those who may wish to follow.

I would also like some statistical information from the officials of the department, if it is possible, on this matter. I would like to know what the contribution has been by the Indian affairs branch to education generally in the Yukon territory. If that could be broken down to a per capita figure it would be even more useful, so that I could compare it with education costs generally in the Yukon and with the contributions made by other federal departments on a per capita basis.

I would like to know also what those contributions have been in respect of separate schools as opposed to non-denominational schools. Does the policy of making these contributions extend beyond those made strictly to schools; does the policy extend to the establishment of hostels and other boarding-in institutions which may be set up in the north?

While I am dealing with that point I would be critical, if I may, of the policy of the branch with regard to the rigid interpretation and the technical application of the act in so far as it affects Indian children attending Indian hostels. I feel there could very well be exceptions made here. In fact, in my view there are exceptions which could and must be made to the application of these regulations.

I have a current case in mind which I should like to relate to the minister. The case concerns Rosemary Lowe, who is the daughter of an Indian woman in the Yukon, Mrs. Mary Etzertza Lowe, who by her first husband had several children. Her first husband died and she remarried a white man four years later. Of that marriage there was the one issue, Rosemary Lowe. Three months or thereabouts after marrying the white Yukoner she left simply because circumstances would not permit continued living as a family unit.

The children have grown up to the point where they are attending school. Rosemary's three brothers are in the Roman Catholic hostel at Whitehorse. Mrs. Lowe worked there and I suppose because she was working there she was allowed to keep Rosemary in the hostel. All these children were attending the same school. Now Mrs. Lowe has left the hostel and has a permanent job in the hospital, and it appears there is some doubt as to the status of Rosemary and some doubt as to whether she will be allowed to remain in the hostel.

If the department cannot make exceptions in these cases we will find that Rosemary will be taken out of the wholesome atmosphere of the hostel, away from the affection of her brothers, away from the family unity that exists in the hostel and will be required to live in some miserable, squalid shack on the outskirts of the city.

I think these circumstances are sufficiently compassionate to allow a discretionary sympathy to be extended toward people who find themselves in these circumstances. While I am writing to the minister separately on this particular case, I certainly would like to know the over-all approach of the branch in the future to problems of a similar nature, because this case is not isolated; it can be repeated and repeated.

One further point that I wish to raise for the minister's consideration concerning education is the policy of the territorial government to recommend the cessation of family allowances paid on behalf of children, including Indian children, in the Yukon for irregular or non-attendance at school. In these cases the superintendent of education, as the minister knows, recommends to the family allowances division that the family allowances cease to be paid because of the non-attendance or irregular attendance of the child. In the case of Indian children I would strongly suggest that the minister speak to her colleague or someone in the family allowances division with a view to having a procedure set up whereby before making this type of recommendation the superintendent of education should check with the superintendent of the agency in Whitehorse, because there may be special circumstances which justify the irregular or non-attendance of these children. It does cause hardship among the very low income earning group at the best of times when these family allowances are abruptly cut off.

I would also like the minister to bring me up to date on the considerations which have been given by the branch to the Teslin co-operative society which I first suggested in June of 1959. The minister will recall that at that time I suggested that a big game guide co-operative be set up for the Teslin people. I would also like the minister to give me her assurance that the trapping grounds of the Old Crow people will be held inviolate for the use of those people.

I would also suggest that the branch investigate the feasibility of setting up a co-operative among the Yukon Indian people to manufacture and market Indian handicrafts.

In this connection the Yukon Indian advancement association, an association unique of its kind is doing some extremely good work. But I believe they could do with a good deal of assistance. These co-operative societies are working well in the Northwest Territories with the Eskimo and Indian people. They are working very well with the Saskatchewan Indian people, and in my view in an area such as the Yukon territory, where the branch is 100 per cent responsible for the Indian people, a good deal more attention could be paid to accelerating the establishment of this type of endeavour.

Then, too, the director of the Indian affairs branch will recall that in June 1958 he held consultations with the various leaders of the Indian people in the Yukon and they put forward several requests and representations. One of the requests put forward by the Dawson Indian people was for a freezer. This same request was put forward by the people of Teslin. I am wondering whether these units have been established in these places and whether they will be established in other localities in the Yukon. If they have not been established in Dawson and Teslin and if it is not the intention of the branch to establish these units elsewhere in the Yukon, I am wondering why.

I should also like the minister to inform me of the amount that the branch has contributed to the general health and welfare of the Yukon Indian people as opposed to the amount spent on education. I am wondering if there have been any grants made to Whitehorse hospital, Mayo hospital or Dawson hospital and if any other grants along those lines have been made. If the minister has figures available I should like to know how many new homes have been constructed for the Indian people in the Yukon Territory since 1957. I wish to know what those houses cost to build and how many families they have accommodated.

I also wish to know from the minister if the particular housing problem that the Dawson people have been saddled with has yet been solved. There are new homes there which I understand have not yet been occupied because of the refusal of the city council of Dawson to pass them as being fit for habitation. I believe the question involved is that of adequate plumbing.

One further feature of the administration of Indian affairs in the Yukon Territory to which I should like to draw the attention of the minister is the policy of the territorial government of the moment which is such that it does not participate in the payment of any old age assistance to the Indian people there. I believe that this is wrong. In my opinion the Indian people of the Yukon are entitled to receive old age assistance benefits in the same sense as they are provincially.

The Yukon Indian is a consumer of beer. He is lawfully entitled to buy beer in the Yukon and thereby contributes substantially to the tax coffers of the territorial treasury. There would appear to be no reason why this discrimination should exist between the aged Indian people and the aged non-Indian citizens there. Perhaps the minister could take this up with her colleague the Minister of Northern Affairs and National Resources with a view to seeing what could be done through the commissioner-in-council in the Yukon.

There is another facet of the administration of the territorial government to which I wish to call the minister's attention. As the hon. lady knows, the children's aid society has now been taken over by the territorial administration. To be more accurate, I should say that the work previously done by the Yukon children's aid society has now been assumed by the territorial administration. The territorial administration, I feel, is paying more than its fair share of the cost of this work. I have here some figures which have been supplied to me concerning the number of welfare cases that have been handled in the Yukon during the period April 1 to October 31, 1960.

It would appear that of the number of individuals worked with in circumstances where protective welfare assistance was required, 62.5 per cent of the number of cases involved were Indian people. I do not believe the Indian affairs branch is yet making any contribution to the territorial government in this work. If I am wrong, perhaps the minister can set me straight. Of the number of individuals worked with, 63.7 per cent involved Indian children. Of the children in care during this period, 45 per cent were children of Indian status and with respect to the number of children in care as compared with the number of individuals worked with, the percentage is the same, 45 per cent.

In my view the branch should be making a contribution toward the cost of the welfare work which is being done by the territorial government. Otherwise that government is circumscribed. Its revenues permit it to go only so far in welfare work. It simply does not have the funds to even bring its welfare efforts up to standards comparable with those that exist in the provinces to the south. I should be very grateful if the minister would answer these several questions.

Mr. Badanai: Mr. Chairman, during the discussion on the resolution, I suggested that education was one of the principal factors in

bringing about an improvement in the economic conditions in which our Indian people find themselves. I stressed particularly the need for scholarships. The minister at one point made the statement that the government has in operation a program of scholarships for Indian students which includes girls entering the nursing profession. Will the minister indicate to what extent this program has been implemented, how many scholarships have been awarded to Indian pupils during the past year—if she has these figures —and particularly the number awarded to girls going into training in a hospital school of nursing and the amount of these scholarships? I would be particularly interested to know if any scholarship has been awarded to any young pupil from northwestern Ontario and more particularly in the district of Thunder Bay.

The minister did make some statements with regard to vocational training. This is an important matter which perhaps exceeds in importance even the need for higher learning, so far as young Indians are concerned. I should like to know if there is anything in the estimates of the department to provide for the establishment of vocational training for young Indians in the district of Thunder Bay and more particularly in the lakehead cities of Fort William and Port Arthur.

These are some of the questions on which I should like to hear the minister's comment. The hon. lady has been very generous in her remarks and answers. I do not wish to repeat all that has been said during the discussion. I believe the minister has been very explicit with respect to some points brought out but the questions of scholarships and vocational training are of great importance to me and to the district in which I live. I hope the minister will be in a position to give these answers particularly with respect to the amount involved in these scholarships.

Mr. Speakman: Mr. Chairman, it is not very often that I find myself in agreement with the hon. member for Skeena, but he did comment on a facet of Indian affairs this morning that I should like to touch on as well, and I can do no better to emphasize what the hon. member has said than by quoting from what an hon. member said in the other place. I have to read two paragraphs to make it clear. I am quoting from page 349 of *Hansard* of the Senate:

> Canada may be justifiably proud of her record in her dealings with the Indians. Her record is not spotless, of course, but it is the cleanest in the world. A foremost authority on Indians pays tribute to the Canadian record when he says, "It means much that there is one commonwealth in the western world—there is only one—which from beginning to end has shown moral integrity in dealing with Indians and has kept the faith." It is to Canada that this authority refers.
>
> Honourable Senators, this is probably higher praise than we non-Indian Canadians deserve. Canada has in the past made mistakes in dealing with our Indian population,—

And this, Mr. Chairman, is the part of the hon. senator's remarks that I should like to emphasize:

> —in that our paternalistic attitude and laws have taken from the Indian his self-sufficiency and independence.

Mr. Howard: May I ask the hon. member a question? I just did not get whom he was quoting.

Mr. Speakman: An hon. member of the other place.

Mr. Howard: Name, please.

Mr. Speakman: Honourable Senator Fergusson.

I have several matters which have not been raised during the discussion of this item which I should like to raise now. One is a matter of very great concern certainly in the district from which I come, which I have the honour to represent and which has a fairly large and quite prosperous Indian population. I refer to the constant sale of spirituous liquor to Indians, which is contrary to the law. I have taken this matter up with the Department of Justice on several occasions, because it is the Department of Justice which, through the Royal Canadian Mounted Police, is responsible for the police supervision. I would suggest that in addition to the Royal Canadian Mounted Police, Indian constables with the power to arrest be appointed, because these are the people who are best known to the Indians on the reserves and they are the people who would best be able to guide them. We have an infestation—and I call it that—of both white and breed people on the fringes of our reserves who make their living by selling liquor to Indians. I would also suggest to the government that the penalty for such offence be increased very materially, because this is very serious indeed and leads to a serious impairment of the morals of our younger Indians.

I should also like to ask the minister whether she could provide more technical training for our Indian students? By this I do not mean reserve or separate schools of any nature. I should like to see our brighter Indian students given the opportunity to attend existing and proposed technical and vocational schools and be taken into those schools. We have excellent schooling facilities for our Indians up to a point in the province of Alberta, and I am particularly proud that on the reservations in my constituency we

have one of the finest Indian schools in Canada, which is run by one of the churches; but I think this matter of further training, and particularly trades training, is important, because our Indians are getting closer and closer to assuming equal status with the non-Indians, and I think they must be in a position to stand on their own feet when they do eventually assume this status.

I must compliment the minister and the Minister of Northern Affairs and National Resources, the duty of whose department it is to maintain the Indian health services. I think this is one of the finest improvements that has taken place in Canada over the years. The health of our Indian population has improved and continues to improve because of the increasingly better medical and hospital facilities provided. I should like to suggest that the Indian reserves should be provided with welfare people distinctly for themselves and not those who are dealing with the whole population. I am quite sure that within a very short time such workers may be found amongst the Indians themselves. I think our Indians are entitled to all federal welfare services comparable with those enjoyed by the non-Indians. I feel there are some deficiencies in this regard.

As I said before, the Indians in my district are prosperous. They have very rich producing oil wells on their reserve which are bringing them in a major income. They are ambitious; they are good farmers and they want to expand their farming operations. I suggest to the government that credit facilities, outside of band funds, which are available to non-Indians be made available to Indians. I am thinking of such facilities as the Farm Credit Corporation, the industrial credit corporation, the National Housing Act and so forth. Housing is being provided now by the government and from band funds.

The housing for Indians is excellent in my constituency. They are almost completely housed in new dwellings. They are getting electric power. With the expansion of credit facilities they would be able to put in water and plumbing, modernize their homes and get telephone service, things which we non-Indians take for granted, things which they have been very slow to acquire. With additional credit facilities they would very quickly instal these services and move one step closer to complete equality with their white Canadian brothers.

I should like to bring one other matter to the attention of the minister and ask her officials to take it into consideration. I refer to the matter of traffic speed in the village of Hobbema. Up until a few years ago the provincial department of highways provided restricted speed signs on the two approaches to the village on No. 2 Alberta highway. However, they removed those signs and made the statement that the responsibility belonged to the federal authority. I ask the minister and her officials to consider the installation of traffic lights at the two approaches through this hamlet because over the past several years we have had several very tragic highway deaths there.

Mr. McFarlane: Mr. Chairman, first I should like to express my appreciation to the minister and also to the officials of her department of the assistance which they have given me at all times in my own area, especially during many trying times.

At this time I should like to bring to the attention of the department a matter which I believe is of importance. About a year ago through a resolution a contract was made with the Emerald Christmas Tree Company Limited in my area, and the Columbia lake Indian reserve No. 3.

This contract was made for a 30-year period. I just cannot quite visualize, Mr. Chairman, a contract being made for that length of time. I believe some advice as to the contract should have been given to the band concerned before it was signed. I believe it is part of the functions of the department to advise bands as to which way they are going and particularly with respect to a long term contract. I also believe that any business would hesitate before entering into a 30-year contract, particularly a new contract being made for the first time. This was the first time that this had occurred in my area, and in my opinion we should take some action in this matter.

Shortly after the contract was signed I was advised that the contract itself did not come before the council. It was signed by the chief of the band, something which I have confirmed with the department. I have a copy of the resolution here and also a copy of the contract. It was very unfortunate that the resolution was presented to the chief of the band at a time when he had just returned home from hospital and was recovering from a serious stroke. I do not believe it should have been presented to him at that time without witnesses being there representing the department or representing a group in the area interested in the affairs of the band.

The Christmas tree business is a highly competitive one. It is not a business that can be picked up on the spur of the moment by anyone and I believe that the opportunity should have been advertised so that all Christmas tree companies in the area would have had a chance to bid before a contract was signed with any individual company.

I have here a copy of a letter I have received from the department which reads in part as follows:

The company has until April 30, 1960, to submit a report on the first year's operation—

I should like to reiterate that this was the first year of operation after the signing of the contract. I am not sure as to the exact date of signing.

—at which time a meeting with all concerned is proposed to discuss and iron out any difficulties encountered. The manager of the company has been away recently but, on his return, all problems will be fully discussed—

I am not criticizing the local officials of the department but at the same time I think a 30-year contract is beyond all reason. At the request of the council I met the Indians in September of last year. I met the band chief and also 20 other members of the band at which time the chief told me in the presence of the band members that he did not sign the resolution and that he also had no knowledge of any portion of the contract. He said that one sheet of paper was presented to him and that he did not sign it. I have recently confirmed that at a time when he was just getting over his illness he apparently did sign it and possibly did not know what he was signing.

There has been a certain amount of trouble in the past season with respect to Christmas trees in that area and I believe owing to the efficiency of the local officials the matter has been straightened out to some extent. Certainly there is a feeling developing in the area against a contract of this nature. I think the department would be well advised to look into the matter very carefully and take into consideration all the facts with respect to operations in the past year. I sincerely hope they will shortly have a report on the operations during the past winter, and I believe that the matter should be given some consideration because of the competition that is developing in the Christmas tree business.

There is one other point I should like to bring to the attention of the department. I should like to suggest that five members representing the Indian bands of Canada from districts which can be designated at some future time should be elected to the House of Commons so that they themselves can bring their difficulties directly to the floor of the House of Commons. We have already made a start during the regime of the present government by the appointment of an Indian to the other place. It appears to me to be ridiculous that hon. members should bring the difficulties of the Indians to the floor of the House of Commons when they, the Indians, are more familiar with their problems than any other group in Canada.

[Mr. McFarlane.]

Mr. Benidickson: Mr. Chairman, I simply want to refer to a few items that are of concern to the people of our area where, as the minister knows, we have quite a substantial Indian population. We have four rather large Indian residential schools, all of which have required expansion. I think the minister will be very glad to know that she can expect from me today many more bouquets than brickbats. Our experience with the progressive developments made by the department has been a very good one during the past year. I saw the McIntosh school recently and the magnificent new addition there. The staff there are extremely pleased with their plant. The school offers a good practical training in home economics, woodworking and so on and is really a most excellent operation that cannot be bettered in other schools anywhere else in the country.

I want to remind the minister that in the Sioux Lookout and Dryden areas there are still a very substantial number of children living in the country northward for whom there is no accommodation at any of our schools in those areas. The schools are all too crowded. Neither location is asking for a school to be located there. Therefore I am satisfied that when the need is presented to me it is not based on any local enthusiasm for the construction of a building or school simply for its value to the community along commercial lines. I have written recently about the matter. I think it was brought up in debate here last year at which time it was said that an investigation would be made. Perhaps the minister has something to report in that regard.

I want to say one more thing about education. Recently I wrote to the department and pointed out that the trend that has been operative for quite a number of years now of trying to increase the number of day schools and thus avoid the separation of families is in my opinion a very worth-while development. I referred to one school where there seemed to be the kind of staff likely to provide good training in the practical arts and talents of home economics for the girls and woodworking and machine shop practice for the boys. I think these facilities are available in all four of our residential schools. I know it is hard to get staff but it would seem unfortunate if in developing the day school system we have schools where such courses could be given and are not available. I think that these facilities should be provided where possible.

A good example is Whitefish Bay. The minister knows our area because she has been a welcome visitor there. Whitefish Bay is situated midway between Fort Frances and Kenora. Because of the tourist industry

there are probably 200 licensed camps in that area and I do not know of any Indian band that has had more social contacts and social contacts with our white race of a very pleasant nature than the band there.

You know how guides, in particular, fraternize with those whom they are guiding and how friendly they become. The guests we have are mostly people from the United States. Great numbers of them are from the very highest business and other levels with experience in so many walks of life. This has been a wonderful thing for all people in our area. These people from the United States like the Indians immensely and treat them in an exceptionally fine manner. However, the school in that area does not provide practical training. These Indians are not going to be able to follow up this very desirable social inclination they have by getting employment in technical and other good occupations if they are not given something more than reading and writing at the day school. I would be sorry if these families had to be separated in order that some children might attend the residential schools to attain practical vocational skills.

I am very delighted with the progress that has been made during the last 12 months on the economic opportunity side. I know that this has been the result of a long term program given a push under the hon. member for Bonavista-Twillingate and the former minister Mr. Harris as well as the present minister. I know the present minister will agree that it is good to see some progress here. It is difficult to get the trained staff necessary to supervise some of these industrial aspects. I know that at Lac Seul in the last couple of years we have had timber cutting supervised right on the reserve during the winter months. This has provided employment for as many as 60 Indians, and instead of working for outsiders they are actually operating on the reserve under their supervisor. It has been a very successful operation. As long as it proves successful and economic, as I believe it has, I am very glad to find that the department decided not to put the area out for competitive bids to outside white contractors who would simply be employers of the Indians on these Indian lands.

I know that there are now being made available in areas like this department financed saw mills which are provided out of such appropriations as we are voting here today. I should like a little more information as to the utilization of the revolving loan fund. Within the past 12 months what volume of lending has been done from this fund which, I believe, amounts basically to a half million dollars? We understand the way in which revolving fund loans are made and payments are expected.

I should like to refer now to commercial fishing. I commend the minister and her officials upon the fact that during the past 12 months there has been a considerable increase in filleting machinery that has been made available, provision for ice and so on. I hope this will mean that from now on the waste products in connection with the fish catch will be left in the north and the Indian will not have to pay the high costs of air transportation of these non-edible products down to the railhead. This should result in a higher return for the fish catch. I observe that some progress is being made by the department. I know the department is handicapped in some areas because the Indians must get a provincial licence in order to obtain an adequate fishing area which will support the number of people in the band who have few other sources of livelihood but fishing. Some progress has been made with the provincial government, and I want to give credit where credit is due.

I think that last year's development in Ontario which resulted in giving the collection of wild rice exclusively to the Indians was a very desirable step. I know that in connection with fishing the department is attempting to make sure that the fish is not going to be sold by the Indian, through ignorance or otherwise, at less than the best market price. I believe a tender system is operated in this respect. In so far as the wild rice crop is concerned, which is an extremely valuable one, I wonder if the department is exercising some kind of check on the actual price being received by the Indians for this crop. We know that the consumer prices that prevailed before this became an Indian preserve were fairly high, and even on a wholesale selling basis before it found its ultimate market in Chicago.

I have already had correspondence with the minister which indicates that the provincial department of forestry is happy to recruit Indians for its summer junior forest ranger program. This is down in black and white. The department believes the Indians are really superior for this type of work which requires that they be mobile. They must jump from one forest fire threat to another, and so on. The provincial department recognizes that for a certain period of time the Indian finds himself able to live longer without permanent accommodation and without boredom than some of our young white people are able to do. I think this type of program should be extended for Indians' employment.

I wonder if the minister would just bring us up to date on the relief assistance scales that are now applicable with respect to payment both in cash and in kind for indigent Indians. I read last year that at least one of the Indian agencies has an Indian superintendent. I was wondering to what extent the department is finding that Indians are leaving school with a background of education adequate to meet some of the requirements for clerical positions and other of the better positions in the agencies from which they could advance to the superintendency, as this one Indian did. I believe it was at the Muskeg lake reserve in Saskatchewan. I was wondering in how many instances Indians attain senior positions in the agencies.

I indicated to the minister that I have found some difficulty with respect to the financial responsibility for children born of Indian women and white men where the white man is either known or unknown and, if known, is perhaps a transient. He has no record of residence in any one municipality which would indicate that he belongs to that municipality. I am speaking now really of neglected children under these circumstances. As I understand it, the children's aid society has to go to the courts and get an order naming the party or government responsible for the maintenance of this neglected child. As I understand it, our constitution does not make it possible for the courts, under any provincial welfare legislation to impose a liability on the federal government. The court is obliged to name a municipality as responsible for maintenance of the child of an unknown white father. I should like to have a statement if the minister is prepared to give us one.

I know this matter is bothering a great number of the municipalities which are extremely poor, particularly those in some sections of my riding. As the minister knows, some are in remote areas. I am thinking of the rural areas where really there is just a little bit of tree farming and pulpwood cutting and there are practically no taxable assets on which to build up for municipalities of this kind an assessment which will allow them to make many payments of this nature. The burden is heavier in our area than most because of the proximity of Indian bands and the fact that there is a greater number of these deserted Indian children.

This matter was brought very much to my attention by some of the childrens aid societies recently. As you know, Mr. Chairman, there are probably more people seeking to adopt healthy white children than there are children available. I refer to children without handicap and who are in every way normal. Unfortunately, however, out in our area I am told that a high percentage of the children who must be maintained for long periods of time by the children's aid society are of mixed blood and that they are not being placed so readily, particularly because our population of those seeking children is not large. The children of mixed parentage are a little bit different in appearance and somehow these children are just not taken to their hearts as quickly as are white children. This situation is proving to be a financial burden on the children's aid societies which, as you know, canvass in substantial part for voluntary givings in order to carry on their work.

It is the deserted Indian child, and particularly the Indian child of mixed blood, that is of great concern in our area in this province. We are a long distance from the big populations where prospective parents might be found in greater numbers. If we had more people nearby I am sure that the record would be a little bit better. I am also sure that if many of the prospective parents were not in the heavy population centres more than 1,000 miles away but actually on the scene to see these attractive children the situation would be different. But when they are obliged simply to correspond with respect to a child of this background they get only this description, and there is a tendency to lose interest.

The department is frank, and I think properly so. They are quite honest and frank about the description of the children they have. If it is obvious that they are Indian children or of mixed blood, I think the children's aid society tells a correspondent. As I say, the heart appeal of these children face to face not being seen, disinterest sets in. I think this matter would be something that would be of interest to our several children's aid societies for which it is a problem, and to the municipalities which are very much concerned about it.

I think I have been fairly complimentary so far but I wish to say this. Much and all as we appreciate the fact that after a number of years of assurances we are going to get a replacement residential school at Fort Frances for the 50 years old edifice that has been there, I hope that this experience can be looked upon as rather an example of how difficult it is to co-ordinate with the Department of Public Works in order to assure that some of this kind of work is made available in the winter time.

I tried valiantly, as everybody knows, before the winters of 1958-59, in 1959-60, and again last year very actively even a little bit as to the program for 1960-61, with regard to work on this project which I think was originally promised by the former minister in

the spring of 1957. The hon. member for Bonavista-Twillingate persuaded his colleagues that this building needed replacement but just this month we are calling for tenders. As the minister knows, in our part of the country unless you get your foundations, your piles down and so on down much earlier than in February, nothing is going to open up there until late spring. It is not only a matter of delay with respect to work but it is also matter of delay in the availability ultimately of school rooms or classrooms themselves. I think it was four years ago now that officials of the department said that the pipes, heating equipment and other things were so far gone that they were not worth replacement and they have been somewhat of a danger since then. However, as I say, we are pleased that tenders have been called.

However, I think this is in part the responsibility of the Department of Public Works. They tell me, of course, that they made plans and that they had to go back several times for revisions. I think there is some improvement in the Indians affairs branch though with respect to winter work. It has taken three or four years and a fair amount of agony, I suppose, in all places including those that see the matter from a point of view of constituencies. However, I know that a year ago there was not a single project that I had on the calendar that was forecast in our riding—not a single thing, including this one—for the winter 1959-60 where tenders were actually called in time for the work to be utilized in the winter works program.

I wish to share the views of the hon. member for Wetaskiwin who spoke so recently about the improvement that has taken place on the health scene. In the further remote areas I think there may be still quite a bit to do. We have a relatively new hospital established in Sioux Lookout. When I say "relatively new" I mean that it has been there for perhaps 12 or 13 years. For a number of years, while its rated capacity was 65 beds I think the average occupancy would be 130. So successful has this hospital been in this area—they have been dealing with the tuberculosis problem largely —that in a period of about ten years I think they are back again to the normal rate in so far as occupancy is concerned because the case load or the case need has gone down to that extent as a result of the work done in the last ten years.

I thank the minister for listening patiently to some of these problems. There is one which I should perhaps mention also—I have not brought my correspondence with me—and I refer to the Red Lake situation. The minister is well acquainted with it as is the director particularly. I know of the difficulties here. It is something that is normally part of the responsibility of the provincial ministers for education, housing and welfare. It is thus in large part normally, if it is an off-reserve problem, something that is the responsibility of the province of Ontario. In fact, the province of Ontario is a little bit jealous with regard to maintaining secure its responsibility for health matters and education matters. But this matter has been really of such a deplorable nature in this area that it has received the attention of professional health specialists, anthropologists and others who have gone up there. The minister is familiar with the Morris report. I sent to her the recent report of the district officer of health, Dr. Langford. The last word was that a further attempt would be made to see the provincial government authorities to determine whether something could be done. In my opinion the first thing that has to be tackled there is housing. These shacks are not fit for human habitation. I thought—I think this was before the minister's time—that when we raised such a rumpus about this matter certain amendments were made to the regulations with respect to housing loans that would permit the department to make off-reserve housing loans.

I was given to understand that the whole purpose of making these amendments about four years ago was so that this particular situation might be taken on in part by the department of Indian affairs as a pilot project. I have always called it a bridge project, meaning some responsibility being assured by the department in the period when Indians living on the reserve take a step forward, leave the reserve and start to live alongside the white man.

I thought the department just could not so promptly wash its hands completely of responsibility for Indians who have no security in employment, just because technically they had left the reserve to see how they would get along economically in the white man's territory. This has been a long standing cancer in the Red Lake area; there has been practically no progress on any side.

I was very disappointed when told a year or so ago that this new regulation, contrary to what I thought it was designed to achieve, was not going to be invoked for this purpose. I was told that we should go to Central Mortgage and Housing Corporation and try to get them to take on the responsibility for housing here. This is not practicable, as the minister knows. The minister knows the standards of Central Mortgage and Housing Corporation. That is not the next stage of improved housing for these Indians, from a shack, pictures of which the minister has seen. The minister

knows that the next step is not even a minimum standards house under Central Mortgage and Housing Corporation regulations.

I went to the municipality last fall and suggested that they adopt a land assembly plan. I did my best to see whether I could take advantage of the opportunities afforded under Central Mortgage and Housing Corporation. They have pretty high rates of interest now, but they are lower than the standard rates of interest if it is a non-profit type of housing development being authorized and sponsored by a municipality. I thought that perhaps they could help in this regard. However, I was told by the reeve and others —and I saw his point—that they could not sponsor a housing scheme in a municipality where the housing scheme was discriminatory; that is, when it was designed for a certain class of people.

He said, "If we open up a subdivision over in what is called Tomahawk village, with the idea that it will be to improve the housing of Indians who have lived there for some while under these deplorable conditions, and if we develop that into lots, we cannot say it must be restricted to those who are living there now". I rather saw his point.

I tried something else in the meantime. I tried to persuade the service clubs in the area to create a pilot housing scheme of small units similar to the type of housing scheme which had been developed, as the minister knows, by service clubs, legions and other well-intentioned community organizations, I think largely for the aged in the past. I think in the Hamilton area we had one of the first of these schemes, the Burlington scheme. However, I do not think this is going to be seized upon because the white population is very small and service clubs usually have a membership of not over 25, or something like that.

I still think that where there is a will there is a way and I would hope that in connection with education and this housing problem another look will be given at the matter and another attempt will be made to try and do something in co-operation with the provinces, which are admittedly in this field.

I just do not see too much prospect of help from the municipalities in this regard. As a matter of fact, I think the program has had municipal status for only one and one-half or two years. So I think the situation, unfortunately, is just as bad as it was when originally talked about four or five years ago.

Mrs. Fairclough: Mr. Chairman, I have accumulated quite a few questions here. Perhaps it would be well if I handled some of those that have come up to this stage of the discussion. The hon. member for Yukon asked a number of questions. I do not think I can answer them all from information which is available in this committee at this time, but I can assure him that those questions I cannot answer right now will be the subject of a report to him at the earliest possible moment.

With reference to the placement officer, the one mentioned in my statement with reference to Prince George is not the one that is being selected this week, we hope, by the board of selection. That matter will be processed just as quickly as possible. The establishment for Prince George is in the current estimates and of course we cannot proceed until the estimates are passed.

With reference to the grubstaking of trappers, I mentioned this yesterday in my introductory statement. The hon. member asked whether this scheme could be extended to prospectors. The answer is yes, it could be. I might also tell him that funds are available for any trapper who wishes to apply under this allotment.

With reference to the establishment of reserves in the Yukon, the hon. member will know that the lands in the Yukon, while not formally classified as reserves, are classified as areas reserved for Indians. This applies to both the Northwest Territories and the Yukon. Of course, they are not reserves within the meaning of the Indian Act but they are areas reserved for the use of Indians. There are some 15 of them in the Yukon and 10 in the Northwest Territories.

The hon. member asked me a question with reference to houses. In the year 1959-60 there were 22 built in the Yukon having a total value of $52,165. In 1960-61 there were 15 built, having a total value of $45,000. The information we have on hand does not go back to 1957, which I believe is the year about which the hon. member asked.

The hon. member asked a question with reference to the amount expended on Indian education in the Yukon. The amount, which he will find in the report of the department for the fiscal year ended March 31, 1960, was $1,291,883.02. I believe he asked for that figure to be broken down further, but we do not have those figures here. We will be glad to supply that information to him at a future date.

With reference to on the job training, there are facilities for both boys and girls to receive this type of training. I do not believe we have experimented to date with off-training such as he suggested with equipment which is idle. We do make facilities available for

any boy or girl who has a bent in a given direction, and where we can place them with employers, we do so.

For instance, the Department of National Health and Welfare are training nurses' aids constantly in their hospitals. With regard to such other training as is available to girls, the door is open for them to take advantage of any opportunities that are available. If we have specific cases and specific individuals we are glad to try and place them in jobs with the co-operation of the employers where they can learn a useful trade.

Some of the information which my hon. friend asked for with relation to the Yukon I believe was given in a general way in my statement yesterday but, of course, not broken down into regions. We shall be glad to furnish whatever information he requires, as I said before.

We will certainly look into the matter of school attendance and its effect on family allowances. I think possibly the answer would be to have the reports of the school superintendent channelled through the Indian superintendent for investigation but this is a matter we will definitely look into. We will also look into the case of Rosemary Lowe as soon as we receive the letter the hon. gentlemant promised to write us.

I can tell the hon. member that the Dawson freezer is ordered and should be forthcoming within a reasonable length of time.

The hon. member asked for figures on health and welfare extended to Indians. We do not have this information. This matter comes under the Department of National Health and Welfare. We could secure it for the hon. gentleman but perhaps he would like to ask his question of my colleague when the estimates of his department come up.

Mr. Nielsen: Before the hon. lady proceeds I have one question with respect to the land set aside for the use of Indians. I was not concerned with the technical description of what was and was not a reserve. I was concerned about the fact that the Yukon Indian people have never been compensated as have the other Indian people in Canada for the taking over of their lands. I say "their lands" in the sense that they were there first. I was not thinking of a technical description but intended to ask what are the plans for compensating the Yukon Indian people on the same basis as Indian people in the rest of Canada were compensated either by way of land which they can call their own in perpetuity so they can take part in the revenue from resource developments such as was mentioned by the hon. member for Wetaskiwin or, if not land that they can call their own in perpetuity, what arrangement does the branch intend to make for something in lieu of land in perpetuity?

Mrs. Fairclough: Of course, Mr. Chairman, these are problems that are brought up from time to time. We have no specific plans at the moment. These are matters that are discussed with the territorial authorities from time to time. All Indians are not on reserves for which compensation has been arranged by way of treaty. It is only where there have been treaties fulfilled by the Indians and the federal authorities that any arrangement can be made with reference to the matters my hon. friend has raised. If there is any further information on that we will be glad to procure it for the hon. gentleman but as I say most of these things are matters of discussion from time to time and have not reached the stage yet where we could say that any particular plan is under consideration.

Mr. Nielsen: I can say right away to the minister that there are no treaty Indian people in the Yukon territory. I am wondering if the minister could ask her officials to direct their attention to designing a treaty or something that will give the Indian people the rights which have been enjoyed for many years by other Indian people in Canada.

Mrs. Fairclough: I am afraid, Mr. Chairman, that if there is no treaty there is no basis for the establishment of those rights. I believe I am correct in saying that. If my hon. friend wishes to explore the question further we will be glad to go into a full discussion of the matter with him.

I understood the hon. member to say that there is no old age assistance in the Yukon. It is my understanding that there is.

Mr. Nielsen: Not for the Indian people.

Mrs. Fairclough: I understand there is, yes. There is no supplementary assistance, that is assistance supplementary to the old age security payments, but I am informed that there is old age assistance available to Yukon Indian people. In so far as supplementary payments—payments supplementary to old age security—are concerned, we have made representations to the council and this is a matter that is under discussion at the present time.

I hope my hon. friend will not be too disappointed if I have not answered completely all of the questions he asked but, frankly, they came so fast that even with my officials and I all taking notes we were unable to get them all down. We will make sure that the hon. member receives complete answers to them within a reasonable length of time.

The hon. member for Fort William asked a question with reference to scholarships. In

particular, he asked about nurses. These figures which I shall give are not entirely relevant to scholarships but refer to professional and vocational assistance. In nurses' training, there are 25 young women now receiving assistance for tuition and there are 22 serving as nurses' aides. I gave the figures and the amounts involved yesterday with reference to the scholarships which were earned in the various classifications. The hon. member asked about scholarships with respect to northern Ontario. In the year 1959-60 there were two and in the year 1960-61 there was one. I cannot say for sure whether any of these pupils came from Thunder Bay district, but I do not think so.

The hon. member for Wetaskiwin made several suggestions which we will certainly look into particularly with regard to technical training. When the hon. member referred to welfare workers I presumed that he meant trained social workers. No doubt the hon. member knows this is quite a problem. Even if we made provision in the estimates for social welfare workers right across Canada we could not secure them because there is a great shortage of these workers in Canada. What we are trying to do now is make arrangements with the provincial authorities to co-operate with them and to take advantage of their social workers to work in the various Indian localities.

We think that will probably be more successful than trying to place a worker, let us say, on every reserve, or every group of reserves. I am sure that will work out but it is a long range project and as I said it depends to a large extent on the number of workers that even the provinces can provide because of the shortage in this profession.

Mr. Speakman: If the minister would not mind my interrupting her at this stage, that is just the point I made. The provincial welfare workers devote themselves rather exclusively to the non-Indians to the detriment of the Indian requirement.

Mrs. Fairclough: I see. That may be because we had not made a contract with them. We intend to explore this right across the country.

The hon. member asked about the revolving funds. I might tell him that these are available for individual enterprise in practically every field.

The hon. member for Kootenay East raised a question which I must say was new to us. The hon. member referred to the question of the Christmas tree contract at Columbia lake. We will certainly look into it. These contracts are not made without the sanction of the band council and without a proper resolution being passed by the band council. I have not heard of one being made where the chief's signature was sufficient without some supporting evidence of the desire of the band to participate but we will certainly look into the complaint which the hon. member registered on their behalf and find out precisely what are the circumstances.

The hon. member for Kenora-Rainy River brought up several problems.

Mr. Pickersgill: Mr. Chairman, perhaps I could explain that the hon. member was called out of the chamber and he hopes to be back shortly.

Mrs. Fairclough: In any event I will make these explanations and the hon. member will have a record of them. With reference to Sioux Lookout there is an appropriation being asked for in the current estimates to provide a new gymnasium for the school there.

The hon. member asked about the utilization of the revolving loan fund. I can tell him that from April 1 to November 30, 1960 there were 97 loans approved of which 65 were for agriculture, 14 for fishing, 5 were miscellaneous, 2 were for timber and 11 for vehicles. The hon. member mentioned a total authorized amount of $500,000, but it is actually $1 million. Although the approved loans have totalled over $500,000—some $547,800—there are at the present time outstanding loans numbering 578 in the amount of $498,790.

I can reassure the hon. member on the matter of the sale of wild rice and the supervision exercised by the department over the concession of picking rice and the assistance given in connection with harvesting. The department arranges for the marketing of the production by tender and makes sure that a fair market price is obtained by the Indians for their crop.

The hon. member also asked me a question with reference to the education of Indian children and those for whom no education is now provided. We find that in January, 1959 the agency returns showed that 1,735 Indian children between the ages of seven and 16 were not provided with education. However, in the following year, 1960, the number had decreased to 1,503. In other words, it had decreased by about 13.4 per cent.

Mr. Pickersgill: Are those the children who are either on reserves or with the bands, or does that figure include Indian children living in places such as Red Lake?

Mrs. Fairclough: That would include children of families which are nomadic and, probably, children in some small communities where no educational facilities are available. It is unfortunate, but the majority of these

children reside in northern Ontario and Quebec. These are the children with whom we are primarily concerned at the present time, because it is a challenge to the department that there should be even this number of children for whom no educational facilities are available. However, at the present time 90 per cent of the children of school age are in schools and the total number, as the hon. member will realize, has diminished rapidly in one year. I hope that when the figures are available for this year we shall find that a similar decrease has taken place.

I was asked to say a word about Indians in senior positions; those who had come up from the reserves and achieved senior positions in the department. Those who are either superintendents or assistant superintendents on the field staff, number 15. There are also 11 in clerical and administrative posts on the field staff. Perhaps I might give the committee the other figures, because they are interesting. I do not remember whether I gave them earlier today or not, but I will repeat them, if I did. In addition, there are 37 caretakers, 11 stenographers and typists and 21 in other categories. And, as I said earlier, there are 123 teachers. This brings the total to 255, the figure I quoted earlier.

Mr. Benidickson: Those are very interesting figures but, of course, they have to be related to something. I was wondering if the minister could indicate whether there has been some advance in this particular respect? Could she, perhaps, indicate what percentage relationship they bear to the total staff in the categories listed? Second, would the hon. lady be able to say how this situation compares to the situation a year ago? If she does not have that information now, perhaps the committee could have it at another time.

Mrs. Fairclough: It is a little better than 10 per cent. I am afraid I have no comparison to give for previous years.

I was interested in the hon. member's allusions to the good intentions of the former minister with regard to Fort Frances. I am sure the hon. gentleman's intentions were good, as they always were in this department, but one of the things he neglected to do in 1957 was to make any allowance for the Fort Frances school in the estimates of that year. Consequently it is only this year we are making that allowance. We started with an appropriation of $150,000 with $720,000 planned for next year. We hope we can replace this school, which is certainly not our pride and joy.

Mr. Benidickson: The minister had promised me in the spring of 1957, at the end of the fiscal year, that the planning would commence immediately in connection with this school, and I am sure the planning did commence, even under the new government. There has been a delay in getting the work under way.

Mrs. Fairclough: I hardly think that on reflection the hon. member would say there has been too much delay, because he knows from his experience in government that these things sometimes take a good deal of time. One has to allow for plans to be drawn up and approved by the various departments of government which are concerned with building—so much has to be done before the stage is reached at which tenders can be called. Even when tenders have been called we sometimes encounter delays, but we hope to get on with this particular project this year.

Mr. Pickersgill: Can the minister say whether the Fort Frances school was part of the billion dollar program announced at the beginning of February, 1958?

Mrs. Fairclough: At the beginning of February, 1958 I was not charged with responsibility for this department, so that is knowledge which is beyond my ken.

With reference to Red Lake I should tell the hon. member that we are very concerned about the situation there. Within the course of a very short time—a week or two—I think we shall begin a conference with the Ontario municipal affairs department to see what can be done with respect to this deplorable situation.

Some comment was made by the hon. member with reference to child welfare problems and I should like to say at the outset that we are very grateful for the co-operation we have received from the children's aid society in the matter of the care of Indian children. Partly as a result of one case in the Fort Frances agency which the hon. gentleman has discussed with us, and partly because of a few other cases where circumstances were somewhat similar, the department is now authorized to provide educational and welfare assistance as a humanitarian measure to children of Indian origin in residence on the reserve in addition to other categories described in my announcement to the house on April 8, 1960. Principally, these benefits are extended to women of Indian origin who have lost Indian status through enfranchisement or marriage and who have no alternative but to return to friends or relatives on the reserves for various reasons such as the death of a husband or serious illness in the family.

Before this time there had been no satisfactory means of providing essential welfare and educational help to these women and their children. This government therefore decided on humanitarian grounds that educational and welfare assistance should be granted to these people on reserves in the same manner and to the same extent as if they had retained Indian status. We hope this will solve particularly vexatious problems of which my hon. friend is well aware.

Mr. Herridge: Mr. Chairman, I have been sitting here in comfort waiting for the estimates of the national gallery and hoping to cause the minister to be uncomfortable later. However, I want to take this opportunity to make a few remarks that are related to remarks made by the hon. member for Vancouver East and the hon. member for Skeena with respect to that order in council which made it necessary to return land in Indian reserves in British Columbia and any cash that was left in the band or tribe funds. I have suggested on a number of occasions before that this cash should be used to erect a memorial to the Arrow lake band which has now become extinct, the last member dying in 1955. I rose to ask the minister this question. Has the department returned the cash balance in the Arrow lake Indian band fund to the province of British Columbia?

Mrs. Fairclough: The answer to that is yes.

Mr. Martel: Mr. Chairman, I should like to make a few remarks before the first item of these estimates is approved. This question is of great interest to me because there are a number of Indian bands scattered around in the riding of Chapleau which I have the honour to represent in the house. First, I should like to join with other members in thanking the Minister of Citizenship and Immigration for the very kind co-operation I have always had from her department and I should also like to thank the officials of the department.

(Translation):

I should like to go on in French because in my area young Indians who have been attending school for a few years receive their education in French.

In fact, even though those young Indians did not have the opportunity of learning French before entering school, they are nevertheless able to follow the curriculum of the province of Quebec. Most of them spoke only English before coming to school, but they learn French very fast and they get along very well.

[Mrs. Fairclough.]

I should like now to deal with the young Indians attending the St. Marc de Figuery school located about ten miles south of Amos. These young pupils come from all parts of the area, since it is a boarding school. The Oblate Fathers who operate the school are doing excellent work, not only in this particular place but wherever there are Indians in my riding.

There is also a special problem concerning the Indian families living in Abitibi, as most of them, during the last few years, have chosen to settle in or in the immediate vicinity of the towns of Amos, La Sarre and Senneterre; others intend to do likewise in the future. Already some have moved into Chapais and Chibougamau, near Waswanipi lake, Mistassini lake, and even Mattagami lake, site of the proposed railway line provided by the bill discussed a few days ago.

The migration of Indians toward organized areas is explained by the fact that the trapper and his family can no longer make a decent living out of trapping.

They also know that closer to towns they have a better chance of getting proper hospital and medical attention and that their children are closer to schools.

As for the town of Amos particularly, the 40 families who settled there live in overcrowded and often unsanitary dwellings.

That is why last year, the delegates of the Abitibi Indian band, better known as the Dominion Abitibi band, appeared before the Indian affairs committee and asked the Indian affairs branch to build as an original project at least 30 houses to permanently accommodate an equivalent number of families; the project was to be carried out on the Leclerc farm, bought for that purpose a few years ago and surveyed and subdivided in 1959.

I even believe that in 1960 some preparatory work was carried out by the Indian affairs branch, with regard to the building of those houses.

In my humble opinion, those houses should be supplied with modern sanitary equipment and the cost of sewer and plumbing could be paid from the available funds of the Abitibi reservation.

I hope the minister will be able to tell us, when she takes the floor, how soon this program involving the Abitibi Indian band may be carried out.

(Text):

I was just mentioning in my remarks that there is a project near Amos for the Abitibi Dominion band on a piece of property that

was bought for them a few years ago. It is a housing project and last year before the committee it was requested by the delegates from the Abitibi Dominion band. I wonder whether the hon. lady could tell the house a little later if this housing project for the Abitibi Dominion band will be carried out.

As is the usual procedure, of course, these houses will have to be supplied with modern heating equipment. It was suggested last year before the committee that the cost of the water works and sewage disposal system could be paid out of the band fund. Although this band is not a very rich one, nevertheless its members are willing to co-operate and do their share.

There are various other housing projects that are also urgently needed by other bands in the large territory included in my riding. I will give the names of the bands quickly. I am referring to the Mistassini band, the Waswanipi band, the Eastmain band and the bands at Rupert House Obedjiwan and also Manowan. As far as Obedjiwan and Manowan are concerned, housing projects have already been started there.

Of course, all these different projects throughout Canada cannot be carried out simultaneously. However, considering the amount of money that is made available from year to year I know that a big effort has been made toward accomplishing these different projects in recent years and the department and the minister particularly are to be congratulated. Taking into account the amount of money made available, I think a very good job has been done.

So far as education is concerned, more has been done in recent years than was the case some years ago. I think that education has to come first and that it will certainly help integration with the white communities across Canada.

I was glad to read a statement by the hon. lady the other day that the only solution to the Indian problem across Canada is integration as soon as possible. I really believe that is so. The Indians in my area have only been in touch with the white man for a few years. We have just a few reserves and most of the Indians there have only come in contact with civilization recently. I believe that with education available to their children the possibility will be greater of integrating them with the white population.

I should like to relate something that was said to me by Mr. Kistabish of La Sarre, Quebec, a well known and respected Indian. He said to me: "Your education program for Indians is quite all right but what happens? We send our children to the school and when they come back from school they are not educated enough to work for the white man and they are no good as Indians any more because they do not know how to trap. They no longer know how to operate in the bush." These young Indians go to school and graduate about the age of 16. They are not sufficiently educated to be able to compete with the white children of their own age in obtaining employment. On the other hand they are no longer able to follow the pursuits of their Indian fathers in fishing, trapping and so on. They have lost their natural skills during the years they have attended school.

I believe, therefore, that the employment officers who are doing their best to find jobs for these young Indians should take into consideration their lack of education and should try to find employment for them as soon as possible so that they will not become discouraged and return to the reserve.

In so far as income and relief are concerned, I should like to make a few suggestions. Since as I have just explained the Indian does not have sufficient education to compete with the skilled worker, the only kind of employment open to him in my area is often irregular and of a temporary nature. For instance, in the Abitibi district an Indian can find employment as a hunting and fishing guide for 15 to 30 days a year. He might find a job as a helper for a prospector or staking mining claims, depending upon whether there is any mining activity in the area. He can sometimes find a job as a lumberman for three or four months during the wintertime. This illustrates the problem. The older generation, of course, has even more difficulty in finding employment. It is hoped that the younger generation that is being educated now will have a better chance to compete. When these children come out of school we should be careful to make sure they do not become discouraged because, as I have said, they are not sufficiently well educated to compete with the white children.

In so far as the relief system is concerned, it was suggested that the system could be improved. It was suggested also to the committee last year that the amount of relief payments could be increased. This is a rather difficult problem in certain cases, as the minister well knows, because many people who have been away from the reserve for some time come back to live on the reserve when they are unemployed.

Before I resume my seat, I should like to mention a few other points that were presented to the committee last year. I do not

want to take too much of the time of this committee, but there were a number of briefs presented to the joint committee last year by the Quebec bands. There is a list of the briefs presented by these bands in the minutes and proceedings of the joint committee for Wednesday, May 4, 1960. I should like to make a brief reference to this list. There was a brief presented by the Eastmain band, Eastmain, Quebec. This is on the Quebec side of James bay, but it is in my riding. The brief was dated December 29, 1959. There was another brief presented by the Obedjiwan band, via Oskelaneo river, Abitibi east district. It is dated September, 1959. There was one presented by the Mistassini band, and it is dated August 24, 1959. The next one was presented by the northern citizens guidance association, and that is the one to which I should like to make a special reference. The different briefs that were presented by these bands will receive the careful consideration of the committee and exhibit the interest of the different Indian bands across the country in the committee.

I should like to read one section of the brief that was presented by the northern citizens guidance association, a group that is working for the improvement of the lot of the Indian in northern Quebec. This brief reads, in part, as follows:

> Another matter of importance raised was the question of hostels for Indian children. The N.C.G.A. is in favour of the La Tuque plan provided it offers in the end permanent type employment to the future Indian labour force. Experience has taught us that seasonal employment is not the answer, nor ever will be. There are far too many negative sociological aspects involved. We understand that the La Tuque plan, commendable as it is, will not by any stretch of the imagination take care of the total number of available children. Our organization has therefore put on record a request that hostels be built in towns like Chibougamau, Chapais, Schefferville and eventually Mattagami. In such places, Indian children could receive primary education within their own environment, and eventually as the development of these towns proceeds, training in high schools and technical schools. Their training would qualify them for permanent employment in the mining industry, commercial and other fields.
>
> Once again, it is emphasized that these offers of co-operation are coming from the industrial, educational and social leaders of northern Quebec mining communities. Will the opportunity be grasped by our federal government or will it be lost? Canadian citizens have been asked to develop a new consciousness towards their Indian brethren. We believe that we have done that here. We are willing to go all the way. But the next move is yours.
>
> We would hope that the joint committee of the commons and senate would study these proposals humbly submitted, and that out of its discussions an enlightened and rewarding policy will be adopted.

This brief was signed by Doris H. Scanlon, Mrs. James P. Scanlon, secretary treasurer.

[Mr. Martel.]

I only mention this brief because I should like to know from the minister whether the project at La Tuque has been completed. We heard in the committee last year that it was going ahead, and since some of the Indians in my territory would be going to that school, I should like to get the situation clarified.

I should like also to make one suggestion before I conclude. Last year the committee received a great deal of evidence from the different Indian bands across the country. Before the committee resumed its work this year an index and a classification of all the material was supposed to be prepared. I understand that the classification and indexing of this material has been carried out by the departmental officials. I do not want to cast any doubt on their capacity or to indicate that they would be prejudiced in any way, but I feel the job could be done by independent persons or an independent group. Perhaps we could get suggestions from this group as well, and then the committee could proceed at a little faster pace. I was a member of the committee myself last year and it would be an impossible task for each member to go through all the evidence that was brought before the committee. If we had an independent group look through the material and prepare a résumé I feel this would be of help not only to the department but also to the Indians and to the members of the committee. I shall now conclude my remarks because we will have other opportunities to discuss these different matters in detail, when the joint committee starts its work.

Mrs. Fairclough: May I just tell the hon. member for Chapleau that in so far as committee work is concerned, this matter is in the hands of the committee. As a matter of fact, it was the committee which asked the department to undertake this work. If the committee wishes someone other than the department to undertake it, they will have to make other arrangements.

Mr. Martel: I will make suggestions to the committee.

Mrs. Fairclough: With regard to the school, may I say that it is in the planning stage now. I cannot give my hon. friend a definite answer as to when this project will be proceeded with but we are planning at the moment to have something in next year's estimates.

Mr. McQuillan: I listened with a great deal of gratification last night to the minister's opening remarks and I was pleased with the emphasis placed on the educational program.

I think this branch is on the right track and that it should allow nothing to deviate it from that emphasis.

I was also interested in the remarks made about the vocational training program and the work of the placement officers. On several occasions I have made representations to the minister and her officials stressing the field in which placement officers could work on the coast of British Columbia and what they might accomplish in the way of placing more of the Indians in industry, particularly the logging industry. I myself have had a great deal of experience in hiring them and I have found them to be as satisfactory as is any other type of labour that has been available to us.

I believe that, through the acceptance of responsibility on the part of the Indians and on the part of some of the provincial governments, we are at long last reaching a point that we might call a break-through in connection with this problem of Indian affairs. It must be rather ironic sometimes for members of the staff of the Indian affairs branch to realize that the better the job they do, the sooner they are going to put themselves out of a job. I look forward to the day when the Indian affairs branch will be primarily concerned with over-all arrangements between the federal government and the provinces until such time as the Indians become completely integrated.

I was interested in listening to the remarks of the hon. member for Skeena and the hon. member for Vancouver East in which they brought to the attention of the committee two cases in which they appeared to think there had been an injustice. I should like to take a few minutes in which to explain to the committee the situation that exists in British Columbia and which I do not think many hon. members fully appreciate.

We have something like the 1,620 reservations in British Columbia out of a total 2,200 in the whole of Canada. Most of these reservations are in the coastal area. Almost invariably they are at the mouths of valleys through which is to be found the only route of access to the hinterland. They in a sense completely block access to many industrial sites and to a great deal of our timber and mineral resources. So far there has not been too much difficulty about making arrangements for rights of way and in some cases, for leases for industrial purposes, and perhaps in a few cases for purchase of some of these lands which are in many cases not occupied. I do not know how many of the reservations on the coast are occupied but I know that the percentage must be small.

The hon. member for Skeena took a kind of roundhouse sling at the minister of highways in British Columbia. Of course that is a popular thing to do these days. I do it myself once in a while. However, the fact remains that this is a much greater problem in British Columbia than it is perhaps in any other province of Canada. I refer to the question of rights of way or what some people might refer to as trespass on Indian reserves. It is also quite often a problem in the development of timber and the establishment of pulp and paper mills and where the Indians have land that is in an area suitable for the establishment of such industry they have to be negotiated with. Sometimes it takes a long time to arrive at a satisfactory conclusion and get these industries under way. I sometimes think that perhaps there should be a slightly different policy with regard to dealing with Indian lands in British Columbia as compared with the rest of Canada. It should not be a policy of prejudice or a discriminatory policy but it should be a policy in keeping with a particular situation that exists there. I should think this matter could be given a good deal of thought on the part of the officials of the Indian affairs department and the minister.

In the report of the Indian affairs department I notice that it is stated that there are some 209 bands and 1,623 reservations in British Columbia. Those figures indicate the situation about which I have been speaking. I do not for one minute advocate that the Indians or the rights of the Indians should not be given the maximum consideration. However, I feel that perhaps some agency might be set up that would lead to easier negotiations or perhaps I should say quicker negotiations. Let us not say "easier negotiations" lest some people might interpret those words to mean cheaper rights of way on the part of those that seek them. I hope some consideration will be given to this problem.

Mr. Howard: I listened with interest to the hon. member for Comox-Alberni speak with respect to the land question. Before I deal with that matter, however, I wonder if I may at this stage, initially leave with the minister a question to be answered at her convenience. It relates to the question raised by the hon. member for Wetaskiwin with regard to the liquor situation. Can the minister indicate what is the present state of the resolution passed by certain independent band councils or Indian bands in British Columbia with respect to bringing section 96 (a) (ii) of the Indian Act into force in so far as these reserves are concerned. I posed a query to the minister some time ago on this matter and it was answered by way of a return. However, since that time I understand that subsequent developments have

taken place and it would be interesting to know just what is the current state of affairs.

Before the one o'clock adjournment there was a considerable amount of discussion concerning the land question and extensive references were made to the McKenna-McBride agreement in 1912 and the royal commission which met for some three, four, or five years following 1912 and orders in council passed by both the federal government and the provincial government and the statutory endorsation of the action that was taken with respect to the land.

In so far as British Columbian Indians are concerned, I think this is perhaps the basic objection that exists and around which all these other things rotate, such as the McKenna-McBride agreement, the reversionary rights of the province, and so on. That is the state of affairs which exists, apart from an area in the Peace river district and a similar area on Vancouver island. I am not too clear on this, but I think those are the only two places where treaties as such exist, one with the crown—treaty No. 8, I believe—and another one with the Hudson's Bay Company dealing with the purchase of land in the early days.

Apart from these two there are no treaties in British Columbia which apply to the Indians in British Columbia, as we know treaties as they have been assigned to apply to Indians in other parts of the nation. The claim of the Indians of British Columbia, apart from these two treaties, is that their title and right to the land has never been extinguished. They claim that the McKenna-McBride agreement of 1912 was an invalid agreement because the provincial government and the federal government of that day were dealing with lands which were not the property of either government but were the property of the Indians, because their original title, ownership and occupation of the land had not been extinguished by war, sale, surrender, treaty or any other means except the encroachment of non-Indian people. This is the key point from which all these other objections flow.

As I understand it, the Indians of British Columbia have never accepted or recognized the McKenna-McBride agreement or the decisions which followed as a consequence of that agreement. Even the arrangement in 1926 to pay $100,000 in lieu of treaty money, as it were, while the money is used in British Columbia the Indian organizations that I know claim they have never given any official recognition to this $100,000 and have not accepted it as being in lieu of, payment for, or acceptable for the extinguishment of their title to this land. I think this is the key point which must be cleared up in so far as the native Indian people of that province are concerned.

There are a number of suggestions as to how this can be done. One is by a court decision such as was attempted in 1914, I understand, or offered by the federal government, with some strings attached, of course, that were objected to by the native Indian people.

Another alternative—and I think perhaps this is the way in which it should be approached initially—is an offer to negotiate, whether by the federal government, the provincial government or both in concert, a treaty with the Indians of British Columbia for the extinguishment of their title to this land.

I have here a copy of an order in council which the Prime Minister filed with the house on December 7, 1960. It is order in council P.C. 1959-799, approved on June 25, 1959. It establishes a committee of inquiry, as it were, consisting of Mr. Nelson, barrister of Prince Albert; Mr. Valentine of the Department of Northern Affairs and National Resources; Mr. L. L. Brown of the Indian affairs branch; and Mr. James Koe of the Fort McPherson band; and Mr. Baptiste Cazon of the Fort Simpson band. The funcitons of this commission are set out in the order in council. This has reference to the question raised earlier by the hon. member for Yukon. I will read briefly from the order in council:

(a) Whether the future economic and social welfare of the Indians—

This refers to the Indians of the Mackenzie district, incidentally:

—would be well served by the setting apart of reserves for them in the proportions provided for by the treaties or whether it would be in their future interests to renegotiate the treaties on some different basis:

I say that the cabinet and the privy council, by giving these terms of reference to this particular commission—namely whether it would be in the future interests of the Indians to renegotiate the treaties on some different basis—have indicated a policy of the government to renegotiate a treaty that is in existence. I think it would naturally be expected that an analogous policy of negotiating treaties which had been exchanged would be quite in keeping with the policy of the government in this respect regarding the situation in the Mackenzie district.

I think the government should undertake the immediate establishment of a pretty far-sweeping judicial inquiry into the land question and should take steps to negotiate treaties,

surrenders or extinguishments of the Indians' aboriginal title and occupation of land on whatever basis is mutually acceptable. Failing a mutually acceptable agreement rising out of such negotiations the subject matter of sale might very well then be referred to a court.

A somewhat similar situation prevailed in Alaska. The Tlingit and Haida bands were given special authority by the United States congress to proceed to the United States court of claims on this self-same question of the extinguishment of their title. Their claim was approved by the United States court of claims, which held that the Tlingits and Haidas in Alaska had never extinguished their title to land. This is the same situation as prevails in British Columbia and I think this must be dealt with first, foremost and quickly before many of these other problems can be straightened out. Mr. Chairman, I wonder if I may call it five o'clock.

Mr. Churchill: Mr. Chairman, before you rise and report progress, I wonder whether the committee would consider going on for another hour. We are close to finishing the estimates of the Indian affairs branch. The other items that come under the jurisdiction of the minister might stand over until later in the session. Perhaps we could take the private members' bills that would be coming up today at some later date.

We are so close to finishing that I wonder whether this might be done. On the other hand, there are at least three members who would like to say something now. Perhaps in the next 60 minutes we could complete the estimates of the Indian affairs branch.

Mr. Chevrier: Mr. Chairman, in so far as we are concerned, we would be quite happy to assist the house leader and the hon. lady in getting on with this estimate and thus avoid perhaps starting again on another day. We would be quite happy to co-operate with the government in this respect.

Mr. Howard: Mr. Chairman, perhaps I may comment on this. It is our desire, of course, to co-operate with the government and the house leader on anything that will generally be of benefit all the way round, but in this particular instance unfortunately some of us have made arrangement contingent upon the hour of five to six. I do not think it would be possible to agree to the course suggested by the house leader at this moment.

Perhaps if the request had been made at some earlier time—it was unforeseen, of course; I realize that—we might have been able to make other arrangements. But at the moment I am afraid it is rather difficult.

The Acting Chairman (Mr. Chown): It would be necessary for me, as chairman, to report to the Speaker of the house in any case before unanimous consent is obtained. It being five o'clock, shall I rise, report progress and request leave to sit again later this day, or at the next sitting of the house, as the case may be?

Some hon. Members: Agreed.

Progress reported.

PRIVATE BILLS

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private and public bills, the latter having precedence. Today being Friday, public bills have precedence according to the temporary order.

FLAGS OF CANADA

MEASURE TO PROVIDE FOR A NATIONAL FLAG OF CANADA

Mr. Samuel Boulanger (Drummond-Arthabaska) moved the second reading of Bill No. C-17, respecting flags of Canada.

(Translation):

Mr. Speaker, this is the third time that I have had the privilege of introducing a bill entitled "An act respecting flags of Canada" aimed at giving this country a distinctive national flag.

I tried with all the sincerity I could muster and in objective terms, to convince hon. members of the necessity for Canada to have its own emblem.

I do not believe there is any need of reiterating arguments which have been brought forward on many occasions.

Some inquiry reports have been produced which prove without a doubt that the majority of the Canadian people are in favour of the project.

A recent survey held by the junior chamber of commerce of Canada, following which a brief was submitted to the government last March, revealed that 81 per cent of the 17,000 people questioned in every province of this country wanted a distinctive national flag.

The bill I am introducing today provides one way of carrying out this project; it asks the governor in council to prepare during this session, an appropriate design of a distinctive national flag for Canada which would later be approved by a joint resolution of both chambers before royal assent was given.

Mr. Speaker, if my bill has not gone beyond the stage of second reading, even after

several attempts, I am satisfied to have submitted it to the house, a fact which has brought me a flood of approval from all parts of Canada. We should rejoice to see unanimity being reached on the principle of a distinctive national flag, but Canadians are very surprised to note that nothing has been achieved in spite of it.

The situation seems, indeed, very odd, and one could wonder why the matter is not settled by a final vote or why the government, through the voice of its Prime Minister, Mr. Diefenbaker, does not reveal its position on a matter which is of the highest interest for the Canadian people.

The unity mentioned a few years ago by the Right Hon. Louis St. Laurent now seems to be attained, as shown by the polls organized by the chamber of commerce, the Gallup institute, students associations and many others.

Mr. Speaker, I want to conclude my remarks by saying that the refusal to have this bill read a second time might be interpreted as if this were a bill prejudicial to the interests of the Conservative party, because it is introduced by a member of the opposition.

Hon. members of the Conservative party may be at rest. When one of them submits a bill aiming at giving Canada a distinctive national flag, I shall hasten to withdraw my own bill and to support that of my fellow member.

I want some hon. members—who have already misinterpreted my intentions when I submitted a similar bill last year—to know that I do not submit this bill in order to rouse the attention of the newspapers, nor to entice my colleagues into making compromising statements. My only aim is to call the attention of those who have the responsibility of giving us that symbol of independence which is the sign of a country having attained its maturity.

There has never been any doubt in my mind as to the aim that was to be reached.

Let those who doubt this take up the challenge and bring in a similar bill. I shall be happy to support them and give them the credit for it.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, as everyone knows, I placed on the order paper, at the beginning of the session, the following resolution:

That, in the opinion of this house, consideration should be given to the advisability of appointing a committee comprising members of this house and of the Senate to look into the ways of giving Canada a distinctive flag and an official national anthem and to hear in this connection the views of Canadian organizations, public bodies and private citizens.

[Mr. Boulanger.]

It seems to me, Mr. Speaker, that for the sake of national unity, the government should follow up the resolution I placed on the order paper at the beginning of the session and that a committee of both houses should be set up as soon as possible to hear the views of the various Canadian organizations, so that we may obtain a distinctive Canadian flag.

I know that all members of the house support the idea of a national flag for Canada. Some favour a certain design, and some another.

If the committee I am suggesting were established, I would have a suggestion to make to the hon. members. I have before me a flag which, in my opinion, truly represents the aspirations of all Canadians. You can see it has blue corners representing—

Some hon. Members: Order.

(Text):

Mr. Speaker: The hon. member, I think, should be reminded of two matters, one that we are debating this Bill C-17, not his resolution and, secondly, that it is not customary to introduce other than words into the house. I did not object to reference to the other motion, but the matter for debate is Bill No. C-17 which has been introduced by the hon. member for Drummond-Arthabaska (Mr. Boulanger).

(Translation):

Mr. Pigeon: Mr. Speaker, I simply wished to submit to the house a design for a distinctive flag, which could be submitted, and adopted, if found acceptable. This is a purely personal suggestion. But in any case, if a joint committee of both houses is set up, I shall have the opportunity, in due course, to submit that design.

Mr. Speaker, I simply wished to make these few remarks so as to make it clear that I am not opposed to the bill introduced by the hon. member for Drummond-Arthabaska (Mr. Boulanger) but that, if the matter is put to a vote, I would not like to see a flag adopted which would not be truly distinctive.

In the interest of national unity, we must adopt a genuinely distinctive flag. That is why I would prefer that a joint committee of both houses be set up as soon as possible, to consider the matter so as to enable the house to come to a decision in keeping with the principle of national unity.

(Text):

Mr. J. H. Horner (Acadia): Mr. Speaker, this question has come up before and has been discussed for some time in this house. I think I spoke on a truly distinctive flag once before. As I mentioned previously, perhaps a committee should be set up to study this

question. It need not be a committee identical with that which was set up in 1945 and 1946, but a study should be made of whether the flags we have in Canada are satisfactory. If they are not then we should set about to change them and bring in something which would be suitable to the Canadian people.

The question has been asked whether it should be in the census. We all realize that it has cost a great deal already to reprint the census forms. Therefore, I do not think it would be feasible or wise to spend a great deal of money to reprint census forms to include a question concerning a distinctive flag, but something along that line should be undertaken. A questionnaire should be sent out, or the people should be canvassed on whether they want another flag. I think that question would be in order before any definite steps are taken to change the flag we now have, or the two flags which are flown in Canada.

While there is a great deal of concern over this question in Canada—maybe more so in some parts of Canada than in others—yet, it seems to me, after listening to both sides of the question, that it is a controversial one and before any action is taken on it perhaps a little further study ought to be made and a questionnaire sent out in the form of a minor census in an endeavour to find out whether the people actually want a new flag or whether a change is desirable. If it should turn out that a change is desirable, then somebody should design a flag which would be suitable to all Canadians.

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, like other hon. members, I suppose, I have been besieged with letters, suggestions and talks on the question of a national flag for Canada. My desk and the file in my cabinet are full of many suggestions along this line.

First, I must say that I am a little surprised myself to find the extent of the interest in and the depth of the feeling about the subject. I was born and brought up in this country and I think I have taken my proper amount of interest in the affairs of this country. I have served in the armed forces and I think I am as patriotic as are most Canadians. As I say, I am a little surprised at the depth of feeling, because frankly the question of the sort of national flag we should have, whether it is distinctly Canadian or not, really has never bothered me very much. Therefore it was with a little bit of surprise at first that I found so many citizens dedicating so much of their time—they must have—to designing flags, organizing groups and pressing and working so hard that this country might have a national emblem of its own, and to learn of the variety of ideas that have been presented to us from day to day for this purpose.

I note that the bill before us does not deal with a specific flag already used in Canada or press for one of the specific designs that several groups in this country have already prepared. However, I think I would prefer to see a bill introduced by a private member calling for a specific nationally designed flag. The bill says that the governor in council shall prepare one. I suggest to hon. members that since there have not been any steps taken to use anything but the union jack or the red ensign in all the years since confederation it might justly be felt that the government has been quite satisfied to have one flag or both of these flags and that the government's policy, no matter what was the form of the government at the time, is reflected by this same acceptance of those flags as the Canadian flags.

I think the spirit motivating most people who ask for government action, or who press for their own ideas or designs of flags, is that they are not satisfied that this country has an emblem that they can point to and say, "This is ours; this reflects Canada". I think the variety of the designs presented to us for consideration strengthens my own belief; my own feelings about it are somewhat encouraged by the fact that those same designs are so varied. There are so many ideas expressed that one encounters great difficulty when one tries to find some flag which will reflect this distinctly Canadian nationalism of ours.

First of all, I think I should say that I am not one who is really concerned about increasing the amount of Canadian nationalism in this country, along certain lines at least. We live in an age in which life is getting more and more complicated, where everything that is done in one country is reflected so quickly in another, and where for various reasons we must be more and more careful of what we do so as not to annoy our neighbours, and where for various humanitarian reasons we must more and more often extend a helping hand to our neighbours.

In this house we are, I am sure, almost completely dedicated to the support of the United Nations. The fact that such a body of necessity has to take care of some of our problems to that extent at least reduces the need for Canadians to be ultra nationalistic. As I say, this motivating spirit in the country seems to move us away from nationalism in some respects, while the growing development, the growing population and the growing importance of our country seem to foster that spirit.

However, Canada's position in international affairs is only one aspect of the problem of

how nationalistic we want to be. We still have coming into this country every day a great many immigrants, and every year we are in the process of trying to provide jobs for them and trying to educate the children of new immigrants. We are not predominantly of any one racial origin and it is hard to find in this country what I would call a typical Canadian citizen.

To illustrate this, I think I might try to show the difference between Canadians and residents of the United States. I do not want in my remarks to be taken as being anti-American when I say that the Americans are rather flamboyant; that they are flag wavers; that they are very nationalistic. That is not necessarily saying these are not good qualities, but certainly our American neighbours to the south are distinguishable from Canadians by this feeling of nationalism which they acquire very quickly.

I think it takes an immigrant going into the United States only a very short while before he starts to think and act as an American. He feels it is the only way he can behave. In that society, if one is not the nationalistic flag waving type I feel the chances of being accepted as an ordinary member of the community are, perhaps, very slight. I suggest that a flag is one of those things he can point to with pride and say: this is mine. It is part of the American spirit to be a flag waver, and I am one of the first to admit that there is no such feeling in Canada.

We do not have a flag to which people can point in the same way as the Americans do. We do not hear them making so much reference to a national flag. However, I suggest this should in no way be taken as criticism of ourselves, just as I suggested a few moments ago that my remarks about Americans were in no way a criticism of that country. Speaking to a group of new immigrants the other day and searching about for an example of a typical Canadian I found that, thinking on my feet and giving the matter just a little thought and trying to describe it I was totally unable to come up with a description of the way in which a Canadian should act with regard to his feelings about a flag; how quickly he should be absorbed; how quickly he should set aside some of the patterns of life he had brought from the old country; or how much flag waving and nationalism he would need to show in order to be a typical Canadian citizen.

This is of importance, I think, when we consider the problem of whether we should now have a distinctive Canadian flag. The United States flag is a distinctive emblem, and I am suggesting that citizens of that country take on somewhat flamboyant American characteristics much faster than we do in this country and to a greater extent. I suggest that if we have one distinguishing characteristic in Canada it is simply that not too many of us worry too much about taking on a distinctive national character. Really, what marks a Canadian as a good Canadian citizen is the fact that he does not worry about being a conformist; that he does not worry about creating the impression that he is similar to everyone else. I think the average Canadian citizen prides himself upon being a little different and on not worrying too much about whether he is conforming to a national pattern, no matter how exemplary that national pattern might be.

Therefore, I am one of those who believes that this is the spirit we should continue to foster in this country, the spirit that the typical Canadian is the one who likes the greatest freedom to act as he wishes as long as he is not bothering his neighbours, and who wants to give his neighbours the right to act in the same way, without requiring him to conform to a pattern. It is going to be very hard to typify this type of person. I suggest we have a much more independent, a much more individualistic type of person in this country and, accordingly, we are going to have much more trouble getting a flag to suit people of this type.

We are certainly not going to get unanimity on it, and I think that government measures intended to pick out a flag to suit everyone and change the customs which have developed over the years will be extremely hard to determine. I think we would have difficulty in determining what design we should use or what scheme should be adopted to bring it into being. On the other hand, I feel that this bill suggesting that the governor in council should bring it out is putting a heavy load on any authority. While we all, as members of parliament, must take sides on specific issues as they come up; while we must be prepared to lambast the government if we think it has failed to carry out its duties from time to time; and while we must be prepared to give leadership to the people of this country on controversial issues, it is hard to expect the small group of men who represent the government of this country to be able to come up with an idea for a flag which is going to meet with general approval throughout the country and which is going to carry out the objectives of those various groups which are so concerned about the flag they have in mind. In other words, most of those people who are most desirous of having a distinctive national flag have a particular idea of the kind of flag they want.

Therefore, I think if they can come up with a flag which is going to gain general recognition and support across the country, a bill supporting that particular flag, with a scheme by which it can be determined if it is generally acceptable throughout the country, should be brought forward. If it could be shown that there is a substantial feeling throughout the country in favour of such a flag, then it would be time for the government to step in and act.

I am not sure whether I would be in order if I were to comment on some of the particular designs that I have seen and on some of the reasoning behind the wish to depart from the use of the union jack and the red ensign. Earlier in my remarks I pointed out that while Canada is growing up and becoming in some ways more nationalistic, more important, a bigger and richer country having a wider influence in world affairs, at the same time we have greater responsibilities to the United Nations and must beware of voicing too great a feeling of nationalism at the present time.

We are, of course, tied to the British commonwealth. While it is true that perhaps not all the citizens of this country have direct family ties with the United Kingdom, no one can forget for a minute that the development of this parliamentary system that we enjoy today is an offspring of the British one or that our heritage in the administration of law is a direct descendant of the British system. In fact, British cases are still used in our courts as precedents. I would think that we would blind ourselves a little to say that we want to get a flag which will not identify us with these things that, fortunately or unfortunately, we must readily identify ourselves with as a country.

With these few remarks, Mr. Speaker, I will conclude because to deal adequately with all the various aspects of the type and design of flag, and what should be represented and should not be represented on it, would make a speech a little longer than I think even my patient friends in the house would care to listen to at this time.

Hon. Gordon Churchill (Minister of Veterans Affairs): I am rising at this time, Mr. Speaker, on a point of order. I grant that it is a little late in the debate to raise it, but I was under the misguided assumption that perhaps Your Honour would have raised the question as you did on January 23. As I was absent unavoidably from the house then I have had to look up what was said in the debate on that occasion before interrupting this debate to get your opinion on the point of order.

The point of order is simply this: Are we not establishing now a precedent that any number of bills dealing with the same subject may be before the house and debated in the same session? We had before us early in the session Bill No. C-8, an act to authorize a Canadian flag. This measure was debated and there is an item on the order paper, No. 32, for the resumption of that debate. We are dealing now with Bill No. C-17, an act respecting the flags of Canada, which is intended to be an act to authorize a Canadian flag. It is, therefore, really dealing with the same subject matter. I notice that Beauchesne's fourth edition, page 167, paragraph 200, subsection 2, says this:

> Not more than one question should be before the house at the same time. "When a motion hath been made, that matter must receive a determination by a question, or be laid aside by the general sense of the house before another be entertained."

This is a restatement of an old rule of June 28, 1604. It indicates the possibility of the withdrawal of a motion by leave of the house. In so far as Bill No. C-8 is concerned, which was before us earlier, it has not been withdrawn or determined by a question. It has not been laid aside by the general sense of the house. It is still before us and could be considered at any time. Then, subsection 3 of the same general paragraph says:

> A motion dealing with the same subject matter as a bill standing on the order paper for second reading cannot be considered.

I believe that was the problem that was before Your Honour on January 23 when you were considering whether a motion might be debated, although there were two bills dealing with the same subject matter on the order paper. In looking up *Hansard*, page 1307, January 23, 1961, I find that you did not make a ruling that you expected would remain as a precedent because your words are as follows:

> If the house will then permit me to accept this motion, with the very definite reservation that it will not be too weighty a precedent, I shall be glad to call on the hon. member for St. Boniface.

You were dealing then with the question of a resolution rather than a bill. Earlier, I find that when you were drawing the attention of the house to the fact that there was a technical difficulty because there were two public bills standing on the order paper, these are the words which you used as recorded on page 1306:

> —a technical difficulty which results from the fact that there are two public bills standing on the order paper both dealing with the question of a distinctive national flag, which is also the subject matter of this motion.

Then this paragraph is essential to the discussion, Mr. Speaker, as you went on to say:

> The problem of conflict between two items on the order paper dealing with the same matter has

arisen before in the house. Hon. members will recall that there were two bills dealing with the printing of negotiable securities in French, and that debate on one of them was refused pending the disposition of the other on the grounds that the house will not enter into a discussion of identical subjects under two categories.

Farther on you mention the fact that both bills were concerned with a method of selecting a flag. I raise the point of order, Mr. Speaker, so that we may be sure of the conduct of our business here, and I think a ruling will be required in this instance. Whereas in the last session it was definitely determined that the two bills dealing with the printing of negotiable securities should not be considered in the same session without a determination on one, here we have a similar situation with two bills dealing with the authorization of a Canadian flag. The debate on one was started and not concluded. The house has not expressed its opinion on that subject. The second bill was introduced today and, although phrased in different language, actually deals with the same subject matter since it asks the house to express its opinion on the question of authorizing us to select a Canadian flag. For the second time this session, therefore, the debate will be on the same subject matter and it may or may not be resolved today, if you should decide that the debate should continue. If it is resolved today, what then happens to the earlier bill? If it is not resolved, on a subsequent occasion we will have two bills on the order paper, as we have now, dealing with the same subject matter.

It is in order that we shall not, by inattention or by inadvertence, establish a precedent which we might find unsatisfactory in the future that I draw to Your Honour's attention this situation.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, in my opinion, the point which has been raised by the house leader is not well taken. The rule which has been read as citation 200, page 167 of Beauchesne's fourth edition, suggests that not more than one question should be before the house at the same time. I think what Your Honour would want guidance upon, if Your Honour wants guidance on this matter, would be what is meant by one question. My contention is that the questions that have been before the house earlier are not the same as the question that is now before the house.

I should like to explain what I mean by that. The first matter that came before the house was Bill No. C-8, an act to authorize a Canadian flag. That bill was brought to the attention of the house by the hon. member for Lincoln (Mr. Smith). All we need to do is to read clause 1 of that bill in order to come to the conclusion immediately that it deals with an entirely different subject matter from that which is now before the house. Not only is the phraseology of clause 1 entirely different but the subject matter is entirely different, although the title is "Flags of Canada".

The second matter that came before the house was by way of a resolution introduced by the hon. member for St. Boniface (Mr. Regnier). He suggested a plebiscite on two alternatives, something which I respectfully submit is not the same question as that which is now before us.

Then at a later date we had discussion of Bill No. C-60, an act to amend the Statistics Act, to provide that a matter of this kind be considered as a question in the forthcoming census.

This matter now brought forward by the hon. member for Drummond-Arthabaska (Mr. Boulanger), although entitled "An Act respecting flags of Canada", provides that the design is one which should be selected by the governor in council. When one comes to the actual meaning of the rule he finds, as I understand it, that the word "question" as it applies to these three bills and one resolution is directed toward entirely different matters.

A moment ago the house leader said that this was the the second time the matter had come up for consideration this session. It is the third time. I am sure that the house leader forgot—or that the matter was not brought to his attention—the bill discussed by the hon. member for Lincoln. Then there was the resolution of the hon. member for St. Boniface (Mr. Regnier). There was the discussion of the hon. member for St. Jean-Iberville-Napierville. Then there is this one.

The point that I am trying to make is that when Your Honour asked for guidance on the resolution because of the points raised by the house leader I think Your Honour was then satisfied that this was a matter which should be allowed to be pursued. It strikes me that if objection was going to be taken against this procedure it should have been taken long ago. If the point made by the house leader is a sound one, then the objection should have been taken on the second bill or the second resolution that came up for discussion, and that was many weeks ago. Objection was not taken then. There was a third one and no objection was taken. Now there is this one on which discussion is allowed to go on for 30 minutes or more and then objection is taken. It seems to me, Mr. Speaker, that the question under discussion is entirely different from those questions that were under discussion in the earlier bills and resolutions.

Hon. W. J. Browne (Solicitor General): I should like to say a few words in support of what the house leader has said. To deal first of all with the citation he gave at page 168 of Beauchesne, it states as follows:

(3) A motion dealing with the same subject matter as a bill standing on the order paper for second reading cannot be considered.

Incidentally, in reply to the last observation made by the hon. member for Laurier (Mr. Chevrier), to the effect that this discussion has been going on for half an hour, may I say that it takes a little bit of time to prepare an argument and to get the necessary documents. I have sent for this one, at any rate.

Mr. Chevrier: Then you are killing time.

Mr. Browne (St. John's West): This is an important point because a distinguished gentleman at the time, namely Mr. Mackenzie King, the then hon. member for York, moved on May 31, 1923, as reported in *Journals* LX, page 420:

That the house do now proceed to notice of motion No. 9 respecting the Oleomargarine Act.

A point of order was raised by Mr. Sutherland, member for South Oxford: that the said notice of motion anticipated a matter already appointed for the consideration of the house, in the form of a bill standing in the name of the Minister of Agriculture and was therefore out of order.

Mr. Speaker ruled the point of order well taken.

In that instance there had been no discussion at all. The point of order was well taken and formed the basis for this third paragraph in paragraph 200 of Beauchesne. But in addition to the citation on that page, we find citation 373, the second paragraph of which reads as follows:

(2) There is no rule which restrains the presentation of two or more bills relating to the same subject, and containing similar provisions.

In other words, there is no rule which prevents the presentation of two or more bills relating to the same subject. He then goes on to qualify that statement by saying this:

But if a decision of the house has already been taken on one such bill, for example, if the bill has been given or refused a second reading, the other is not proceeded with if it contains substantially the same provisions, and such a bill could not have been introduced on a motion for leave. But if a bill is withdrawn after having made progress, another bill with the same objects may be proceeded with.

That citation explains what is meant by two bills being presented relating to the same subject or containing the same provisions.

The hon. member for Laurier tried to distinguish between the bill introduced by the hon. member for Lincoln and the one introduced by the hon. member for Drummond-Arthabaska. The first one, namely Bill No. C-8, is entitled "An act to authorize a Canadian flag". The next one is entitled "An act respecting flags of Canada". Can anyone reasonably contend that both these hon. gentlemen did not have the same purpose in mind? They may have gone about it in a slightly different way. One would not expect the details to be the same. But explanatory notes relating to the bill of the hon. member for Lincoln contained this sentence:

The purpose of this bill is to provide a Canadian flag.

Then he explained how that should be done. Then the hon. member for Drummond-Arthabaska (Mr. Boulanger) in the explanatory note to his bill states as follows:

As it is desirable and urgent that Canada possess a distinctive national flag, this bill provides a method of obtaining a flag with the least possible delay.

Both of these bills instruct the governor in council how they should proceed about obtaining a suitable distinctive national flag immediately. I do not think that it can be reasonably contended, as the hon. member for Laurier wished to do, that these bills are dealing with different subjects. The ordinary person would certainly understand that each of these bills dealt with the same subject. It is a subject that is near and dear to the hearts of a great many people in this country. In fact, I think the hon. member will agree that this is a matter that arouses great emotion in some sections.

Mr. Chevrier: May I ask the hon. member a question?

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

Mr. Chevrier: Why did he not raise this point of order when the second bill came up for consideration many weeks ago?

Mr. Speaker: Has the hon. member concluded?

Mr. Martin (Essex East): Yes.

Mr. Browne (St. John's West): I should like to answer that question. The point was not drawn to my attention previously.

Mr. Martin (Essex East): Question.

Mr. Speaker: I think the point of order could be disposed of on the basis that it was raised somewhat late in the course of the debate.

These two bills which are said to be in conflict have been on the order paper for some time. As it is a matter of some consequence that arises from time to time I was happy to receive assistance and observations from hon. members. The simplest case of this type was that of the bills relating to negotiable instruments. Those bills were in fact identical, and I came to the conclusion that debate should not be permitted to proceed on those bills concurrently.

There the bill which was reached first took priority; the other appeared on the order paper and when it was called I myself raised the point of order which prevented debate until the identical bill had been disposed of.

In another case of this type, in resolving a conflict between a government bill to amend the Unemployment Insurance Act, if I remember rightly, and a private member's bill relating to the Unemployment Insurance Act, but not identical, I took the view, after we had some discussion—as we have had today—that the two bills were not identical. That being so, it was open to the government to proceed with its measure and to debate the second reading, as was open to the private member with his measure, until the house had taken a decision on one or other of the bills, which would prevent the second measure from coming up because the house had decided the principle involved.

We have two bills here. I think it depends on the way one assesses the principles of these bills, whether one comes to the conclusion that they are so closely related that they should not both be proceeded with concurrently.

I have come to the conclusion that they can be distinguished. One could say that the principle of both bills is to establish a distinctive national flag. I rather look at them as two bills, each providing a method for the establishment of a distinctive national flag. One bill, as hon. members will recall, was debated and stands for resumption of debate on second reading. That bill deals with the heraldic method of establishing a Canadian flag. This bill puts the onus on the governor in council. The motion before the house which I allowed to proceed does not necessarily provide for a flag at all; it simply calls for the government to establish a referendum on the issue.

If one regards the principle as being one of method of disposing of this important issue of the flag, I think the two bills are distinguishable, and that the debate may proceed.

Mr. Laurier Regnier (St. Boniface): Mr. Speaker, I am in favour of the principle of this bill and I think the government would be very well advised to make a decision on this matter. In 1945 and 1946 the committee examined some 2,695 models of flags and after about nine months' study came down to two models. I think the line of division in the committee was between those who wanted a flag which had the maple leaf on it, without the union jack, and those who wanted the maple leaf with the union jack. A study was made by the Hon. Mr. MacNichol in the committee and he found there were 1,611 flags with the maple leaf and only 383 with the union jack. It was 67 per cent one way and 16 per cent the other way.

I should like to read a letter in order to show the great interest in Canada on this subject of a national flag. I have here a letter which I received from 49 Rothsay avenue, Toronto 18, Ontario, dated February 3, 1961. It is addressed to myself and reads:

> An enthusiastic congratulation from us to you on your recent stand in parliament on a distinctive Canadian flag. We are solidly in favour of a distinctive Canadian maple leaf flag.
>
> We are high school students who believe that our first loyalty goes to Canada; not to England and the union jack or the United States and the dollar bill.
>
> The defaced red ensign offends our national pride. A people without its own flag is like an unheralded king, a bannerless army, a nameless citizen. A country which uses a borrowed flag cannot truthfully mark its soldiers' graves, decorate its streets or give unfaltering symbol to its youth.
>
> The youth of Canada today feel that our national anthem is "O Canada" and not "God Save the Queen". Today in our high school ten students and myself have started to collect signatures for a petition of 300 names. The response is terrific. On our first day we have collected close to a hundred signatures. We will present our petition to the school principal in order to get "O Canada" played at least three times a week—

Mr. Speaker: Order. I suggest the hon. member's letter is not relevant at this point. The question before the house is whether the governor in council shall prepare a design for a distinctive national flag.

Mr. Regnier: Thank you, Your Honour. I will just read the last paragraph of the letter, which I think deals with the matter in question:

> We wish that there were more M.P.'s who wanted Canada to have her own flag. You are on the right track and may you have every success in your commendable efforts.

This letter is signed by Mr. Bill Evans, president, native son youth.

Some hon. Members: Question.

Mr. Speaker: I am sorry to interrupt the hon. member, but it is six o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I take it that the business for Monday and Tuesday is as announced last evening; that is, a motion to go into supply and the other business mentioned?

Mr. Churchill: The business for Monday and Tuesday is as announced. I am waiting to hear the subject matter of the debate on those days.

Mr. Chevrier: It will come in due course.

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

ANSWERS TO QUESTIONS

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

CANADA ATLAS

Question No. 96—**Mr. Racine:**

1. What has been the preparation and printing cost of the Canada atlas?
2. How many such volumes have been printed (a) in English? (b) in French?
3. How many such volumes have been sold (a) in English? (b) in French?

Answer by: **Hon. Noel Dorion (Secretary of State):**

1. The cost of printing and materials excluding labour and Queen's printer costs amounted to $71,500. Precise costs, particularly of the preparation, would be impossible to assess as it would include meetings of interdepartmental committees and the various other committees which were held from time to time to consider planning of the atlas and would also include research done by this and several contributing departments. No one was ever employed exclusively for any length of time on Atlas of Canada work and it would be impossible to determine how much of the work was done along with other duties.

Questions

2. To be answered by the Department of Public Printing and Stationery.

3. To be answered by the Department of Public Printing and Stationery.

In so far as the Department of Public Printing and Stationery is concerned.

1. Covers and bindery operations for 6,500 volumes completed and 1,500 in process, total cost to date, $104,808.

2. (a) 5,000, (b) 1,500.

3. (a) 5,000, (b) 1,500.

MONCTON, N.B. UNEMPLOYMENT INSURANCE OFFICE—APPEAL BOARD

Question No. 105—**Mr. Michaud:**

What are the names and addresses of the members of the appeal board for the Moncton, New Brunswick, unemployment insurance commission office?

Answer by: **Hon. Michael Starr (Minister of Labour):**

Personnel of the board of referees for Moncton, N.B., is as follows:

Chairman, Mr. L. D. Wadman, 7 Park street.

Employers' panel: Mr. R. D. Bannon, 166 MacBeath avenue; Mr. Walter C. Cosmon, 55 Victoria street; Mr. G. I. Mills, 38 Dufferin street.

Insured persons' panel: Mr. E. McAllister, 40 Jones street; Mr. W. Touchie, 124 Pine street; Mr. G. W. Roy Myles, 105 York street.

END OF VOLUME II